

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Wednesday, November 1, 1978 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. SPEAKER: May I draw the attention of hon. members to the presence in the Speaker's gallery of a distinguished servant of this Legislature, the Ombudsman, Dr. Randall Ivany; Mrs. Ivany; Mr. Alex Weir, his solicitor; and Mr. Paul Wood, his executive assistant.

head: **INTRODUCTION OF BILLS**

Bill 76
The Securities Act, 1978

MR. HARLE: Mr. Speaker, I beg leave to introduce Bill No. 76, The Securities Act, 1978.

Mr. Speaker, it's the intention of the government to introduce this bill and let it die on the Order Paper to enable the minister to conduct some work with the brokerage industry and with people who might be interested in the securities legislation. It is patterned after the legislation which has been passed in Ontario. The general notion is that there should be uniformity across Canada in this type of legislation.

[Leave granted; Bill 76 read a first time]

Bill 232
An Act to Amend The School Act

DR. BUCK: Mr. Speaker, I'd like to introduce Bill 232 on behalf of the official Leader of the Opposition, Mr. Clark. The bill revises the definition of part-time teaching and therefore enables more widespread use of the temporary teaching contract.

[Leave granted; Bill 232 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. GETTY: Mr. Speaker, I'd like to table certain regulations required under The Alberta Gas Trunk Line Company Act.

MR. FARRAN: Mr. Speaker, I'd like to file for the purposes of the Legislature Library a copy of a letter from the Solicitor General of Canada, Mr. Jean-Jacques Blais, and the enclosures relevant to the federal gun control program which went into effect at the beginning of November.

In filing these documents, Mr. Speaker, I might say that this is a federal program and not the responsibility

of the province of Alberta. Although I'm not in the business of interpreting federal legislation, I can detect an error in the poster enclosed which might lead people to believe that .22 rifles would fall under the provisions of this program. Where this poster says Class 2, it should read: semi-automatic weapons with barrels less than 18.5 inches long using centre-fire ammunition, pistols, et cetera. I don't believe the federal intention was to get into the area of .22s. Nor, I might say, is the advertising program under the control of my department. The various film displays now being shown in native areas, including Wabasca, are entirely a federal initiative.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. ASHTON: Mr. Speaker, I don't expect to have many more opportunities to do this, so I particularly treasure the pleasure of introducing a group of students from Kenilworth junior high school in my constituency. I would ask them all to stand, together with their teacher, and be recognized by the Assembly.

head: **ORAL QUESTION PERIOD****Fire at Olds**

DR. BUCK: Mr. Speaker, I would like to address the first question to the minister responsible for Disaster Services. I'd like to say the reason I'm acting opposition leader is that Mr. Clark is down at Olds. Can the Deputy Premier indicate what the situation is in the town of Olds, and if it's under control?

DR. HORNER: Yes, Mr. Speaker. Both my departments have been involved this morning in the rather disastrous fire in the town of Olds. Representations from the Disaster Services offices in both Red Deer and Calgary were on site early this morning to help co-ordinate the functions with the RCMP. The present situation is that the fire is out, for all intents and purposes, except for smouldering grain. As my hon. friend will appreciate, that will take some time. The state of emergency put in by the mayor was lifted at 11:30 this morning.

The loss has been substantial. We won't know the extent until a further assessment is made. Alberta Transportation is standing by with equipment to help the town in the clean-up. Discussions with the mayor were ongoing through the morning; I'm sure he would want to pass on his thanks to the neighboring communities all the way from Calgary to Ponoka that provided a very substantial amount of help. At one time they had 16 pumpers and over 60 firefighters from outside the town of Olds helping out — a real example of co-operation — and kept the damage to the bare minimum. Very high winds this morning created a very serious problem, but that is now over.

I've assured the mayor that once an assessment of the damage is made, the question of insurance and so on, we would sit down with him and his council to ascertain what additional help the town might require relative to the re-establishment of the services that have been burned out.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. At this time of the year, I'm sure all red-blooded Alberta boys think of hockey games and so on. I'd just like to know if the minister has had any discussion with the Minister of Recreation, Parks and Wildlife as to the rebuilding of the recreational facilities, especially, as soon as it's physically possible.

DR. HORNER: Mr. Speaker, in my discussion with the mayor before coming into the House, he felt that everybody was pretty tired and that they weren't going to meet until tomorrow to assess their situation. I asked him to get in touch with me at that time, and I'll involve whatever colleagues I require to see what we can do in the interim, and the longer term program that the community will require.

DR. BUCK: Mr. Speaker, a further supplementary question to the Deputy Premier. Can the Deputy Premier indicate to the Legislature if he or other ministers of the Crown have had any evaluation of firefighting facilities in the smaller cities and larger towns and villages in the province?

DR. HORNER: Through Disaster Services, Mr. Speaker, we try to do an evaluation of the equipment on hand and have an up-to-date inventory of it. The other important thing: I think that because the battle to fight the blaze went very smoothly this morning, it indicates the necessity for all our municipal governments to have on stand-by, if you like, an emergency or disaster plan that they can put into effect on very short notice. Olds was able to do that; other communities have done it in the past. I just want to stress that the important component is to have an emergency plan on stand-by, know where your additional equipment can be had quickly and easily. It happened this morning with the real help of the other communities involved.

So the answer generally is yes. It's part of our continual revision of emergency plans with each of the municipalities throughout the province.

DR. BUCK: Mr. Speaker, has the minister or members of the department had an opportunity to determine the possible cause of the fire in Olds?

DR. HORNER: My information is no, Mr. Speaker. I think that's the same information my colleague the Solicitor General has, that they haven't determined any cause, and at the moment there is no indication that it might be arson.

Recreational Development

DR. BUCK: Mr. Speaker, my second question will come from questions that were asked on the cabinet tours in the province, so I will try to limit the questioning to a specific area. It will save hopping, stepping, and jumping all over the province.

My first question, Mr. Speaker, coming out of the tours. I see the Minister of Municipal Affairs isn't here, so I'll pass that up and ask a question of the Solicitor General or the Minister of Housing and Public Works. This has to do with a presentation made to the cabinet tour in 1972, I believe, and apparently the organization is still waiting for an answer. This has to do with the proposed golf club recreational facility

on public lands in the restricted development area west of Fort Saskatchewan down on the river flat. My question to the Minister of Housing and Public Works: is the land in that area available for a recreation complex?

MR. CHAMBERS: I don't know, Mr. Speaker, but I'd be happy to take it under advisement and respond to the hon. member.

DR. BUCK: Mr. Speaker, we're finding out that the minister doesn't have too many answers, but I'm sure he's working at them.

Bridge at Elk Point

DR. BUCK: A question to the Minister of the Environment. I guess he's not here either, so I have a question to the Minister of Transportation. In light of the fact that there have been many accidents in the area of the north approach to the bridge on the North Saskatchewan River at Elk Point, can the minister indicate if any remedial measures are going to be taken to try to straighten out the bridge approach?

DR. HORNER: Mr. Speaker, that particular problem has been brought to my attention over the past year by the Member for St. Paul. We've had an underground survey by both my engineers and my traffic safety people. The question then comes to what can fairly be spent to rearrange that approach. My latest information was that we had worked out an arrangement with the town and the municipal people involved that would improve the safety of the northern approach, and would not be as expensive as the complete restructuring of the approach. I understand there has been a change in the mayoralty there, and whether that's changed things I don't know.

DR. WARRACK: Mr. Speaker, my colleague the Minister of the Environment is out of the House today on business, and I'm the first Acting Minister of the Environment. I would certainly be pleased to accept the hon. member's question and advise the hon. minister.

Recreational Development (continued)

DR. BUCK: Mr. Speaker, I shall revert to the question of jail property on the river flats west of Fort Saskatchewan. Can the Acting Minister of the Environment or the Minister of Recreation, Parks and Wildlife indicate if the land in that area, because it's in a restricted development area, can be used for a recreational facility?

DR. WARRACK: Mr. Speaker, if I heard correctly, the Minister of Housing and Public Works has already given a commitment to look into that matter and respond.

DR. BUCK: Mr. Speaker, then I guess the member shouldn't have been so anxious to answer a question when he didn't really know what he was going to answer.

DR. WARRACK: Mr. Speaker, I didn't know what question he was going to pose.

DR. BUCK: The minister seemed to be so willing, though.

Freight Rates

DR. BUCK: The second portion of my question, Mr. Speaker, to the Minister of Transportation. This has to do with the cabinet tour in the St. Paul area and freight rates for alfalfa pellets. The freight rate situation was discussed in May, and the rate for shipping alfalfa pellets has now gone up to \$2.15 per ton as opposed to a lower rate than that with American competitors. Can the minister indicate what steps have been taken to try to rectify the situation and make our pellets competitive?

DR. HORNER: Yes, Mr. Speaker, I can in a number of ways. First of all, I think the industry associations in Alberta — not just alfalfa — have to be much better and tougher bargainers with the railways. To the best of the department's ability, we'll certainly help them with the cost calculations. But negotiation has to take place with the industry and the railways, and I think they can do a better job than they have in the past. In addition, we have just received a consultant's report with regard to the use of containers, which might be a substantial help to the alfalfa industry.

The Minister of Agriculture and I are meeting with the alfalfa industry on a continuing basis relative to two important areas: one, to improve their throughput through the ports. The whole question of whether or not we couldn't fill incoming containers and gain some advantage in that regard is being looked at. I think the other important thing that can't be overlooked is the alfalfa industry expanding its domestic market in a major way. These are ongoing things and will take some time to resolve, but we have been looking at them very hard indeed, and will continue to do so to help in any of those various ways.

DR. BUCK: Mr. Speaker, a short supplementary. Can the minister indicate if in any discussions presently going on in Ottawa, any direct or indirect representation was made to the federal government to look at the long-awaited promise to have a look at the study on freight rates?

DR. HORNER: Mr. Speaker, my last meeting with the federal Minister of Transport was about a month ago, and as usual we went over all these things. If it were as simple as it might appear on the surface, that would be one thing. On the other hand, Saskatchewan proposed an ongoing subsidy paid by the provincial government to non-livestock processed grain products, which included alfalfa. That proposal had some hooks on it, primarily that the federal government and the federal minister had to agree to a series of things. I rather think it was done in the spirit that: we know he won't agree, so we can be the big fellow and offer that kind of assistance.

Our position in Alberta is to look at other ways in which we can substantially help the alfalfa industry to be competitive, and at the same time not charge the government with ongoing subsidies on freight

rates. We think the total package has to be negotiated and developed with the federal government, but more particularly in direct discussions and negotiations with the railways. I think there is some room for negotiation in that area as well.

Liquor Licensing

MR. LITTLE: Thank you, Mr. Speaker. May I address my question to the hon. the Solicitor General. Has the minister given any consideration to extending liquor privileges to sports stadia in the province of Alberta? Possibly I should define "legal" liquor privileges; I believe there are some informal privileges at the present time.

MR. FARRAN: Mr. Speaker, under The Liquor Licensing Act there is no provision for a licence to allow the sale of alcoholic beverages at sports stadia.

MR. LITTLE: A supplementary, Mr. Speaker, to the minister. Would the minister advise whether any sports organizations in the province have recently approached him regarding relaxing the liquor laws in order to provide this privilege?

MR. FARRAN: Mr. Speaker, very recently I've had one application from one football club, who put forward the opinion that if draft beer were sold in paper cups, the fans would drink less whisky. To allow such a licence would require an amendment to The Liquor Licensing Act. I have the application under consideration, will draw it to the attention of my colleagues, and will study the experience in other jurisdictions, some where they once allowed the concession, then took it away because of problems, and some where they claim the practice has not led to difficulties.

Gas Blowout

DR. BACKUS: Mr. Speaker, I understand there has been a gas blowout northwest of Grande Prairie. I wonder if the Acting Minister of the Environment has had a report on this and could inform us of the situation.

DR. WARRACK: Mr. Speaker, I do have a preliminary report from the office of my colleague the Minister of the Environment. I understand that a gas blowout occurred very early today about 75 miles northwest of Grande Prairie. The problem was that a master valve sheared off. I can report that the Energy Resources Conservation Board is on the job physically and monitoring the situation. That's the extent of the report I have at this time.

DR. BACKUS: A supplementary, Mr. Speaker. Does the report indicate whether this is a pipeline blowout or a gas well blowout? In the event that it is a well blowout, does the minister know if sour gas is involved?

DR. WARRACK: Mr. Speaker, I'm not sure. But those are important questions on which we'll reach a determination as quickly as possible and inform the hon. member.

Beaver Problems

MR. PURDY: Mr. Speaker, I'd like to ask a question of the Minister of Recreation, Parks and Wildlife. In view of the fact that beavers are now becoming a real problem in rural Alberta; that the province and local municipalities, along with landowners, have spent a considerable amount of money in clearing canals; and that fish and wildlife officers are now in shortage because the game season is open, will the minister consider establishing, with the co-operation of municipalities, a special force to rid these canals of beavers, either by trapping or by live removal?

MR. ADAIR: Mr. Speaker, first of all I must respond that a joint program within the Department of Recreation, Parks and Wildlife, fish and wildlife division, and the Department of Agriculture is already in place and working quite effectively. If the hon. member has a specific canal that we can get to quickly, I would attempt to have the good people in the fish and wildlife division on it as quickly as possible.

MR. PURDY: A supplementary to the minister, just to let him know that about five canals in my area are in real danger right now. If they don't get the canals opened up, we'll have severe flooding in the spring.

Veterinary Services

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture. What consideration has the government given to the suggestion by the Alberta Veterinary Medical Association that the government institute an overall prepaid veterinary service plan?

MR. MOORE: Mr. Speaker, the Alberta Veterinary Medical Association presented its proposal to me in my office several months ago. It involved a prepaid veterinary medical plan for the province of Alberta that would have contributions from the provincial government and from municipal governments. It was what I might call a fairly radical change in the concept by which veterinary services have been delivered to our livestock producers in most of the province over the past years. In that regard, I told them I did not think it was fair for me to give them an immediate reaction to their proposals. In particular, it would involve an expenditure by local governments as well as by the province.

I felt that before any answers could be forthcoming from the government of Alberta it was necessary that they do two things: discuss their proposal with the farm organizations throughout Alberta that may have an interest in it, like Unifarm, the Western Stock Growers, the Alberta Cattle Commission, the Hog Producers, and so on; secondly, raise the matter with the Association of Municipal Districts and Counties so that at their annual meeting later this month they might have an opportunity to consider the effects of that increased financial commitment.

Having done that, I'm awaiting a reaction to the proposal, which is now public knowledge, from the various groups I mentioned as well as from the Veterinary Medical Association members themselves. I expect it would be some time in the early part of

1979 before a decision would be made as to whether we proceed on the basis they have suggested.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate what results have been obtained from the pilot program in the Peace River area?

MR. MOORE: Mr. Speaker, to my understanding the results have been reasonably good, although again that's a question of judgment; they might be viewed differently by different people.

However, the proposal put forward by the Veterinary Medical Association differed substantially in some respects from the program being carried on in the Peace River country. For one thing, it had a greater degree of provincial government involvement and seemed to be a proposal that would result in a wider use of veterinary services by persons other than those who earn their living from the livestock industry. It may, in fact, have moved us into the area of providing prepaid veterinary medical services to pet owners and owners of recreational vehicles such as horses. That is cause for concern when you consider the cost of medical care schemes for individuals in this province, and the fact that the veterinary medical profession proposal was along those lines.

Flood Control

MR. BATIUK: Mr. Speaker, I'd like to direct my question to the hon. Deputy Premier. This is a follow-up to a question by the hon. deputy leader of the opposition regarding the flooding of the Vermilion River causing damage to some hayfields. Could the minister advise whether he has had a chance to review the situation, and advise of the severity of the damage?

DR. HORNER: Mr. Speaker, I can advise that that survey is going on. I expect the results from the Department of Agriculture and the Department of the Environment very shortly so that we can assess the damage and the extent to which the government should be involved, if at all.

MR. BATIUK: A supplementary to the hon. minister. About four years ago there was a similar problem in the area of Two Hills, where many farmers had their hay crop damaged by heavy rains during the early summer. At that time I think there was assistance to quite a number of farmers, totalling about \$55,000. Could the minister advise whether a great number of farmers have suffered because of the late rains in September that caused flooding, or is it only a matter of two or three?

DR. HORNER: I haven't got a complete list of the number, Mr. Speaker. I think the situation is somewhat different, in that on the previous occasion it was an early June flood that caused the problem, therefore the farmers weren't able to do anything about it. On the occasion this year, hay that had been baled and not removed from the low land was caught in the floods because of the heavy rain. I think that situation is somewhat different from the other. However, we will be having a look at it as soon as we have the complete assessment of the various areas.

Tourist Industry

MR. YOUNG: Mr. Speaker, my question is for the hon. Minister of Business Development and Tourism. It flows from A Report by the Sector Task Force on the Canadian Tourism Industry. In the conclusion to that report there is a sentence which reads: "Regulations have largely impeded the growth of tourism, rather than hasten its growth."

I wonder if the minister could indicate what mechanism Alberta has in place to attack this particular conclusion and to solve this problem.

MR. DOWLING: Mr. Speaker, we met today with a group of people representing the second tier committee of the task forces, which were under federal auspices. At that meeting we had representatives from the tourist industry; in particular, two of a group of 15. We did talk about the regulation problem in the tourist industry, and the taxation problem the industry is experiencing.

This coming week, on Thursday and Friday, we will be meeting with the federal minister responsible for tourism. At that time we will make our position known with regard to the problems we see existent in the industry.

MR. YOUNG: A supplementary, Mr. Speaker, to the same minister. Does this then suggest that a joint federal and all-provinces effort is being made to standardize, if I may express it that way, some of the regulations and perhaps remove some of them?

MR. DOWLING: As you might recall, Mr. Speaker, some years ago the province of Alberta stimulated the development of annual meetings of tourism ministers on a provincial basis, prior to the federal/provincial conference. Over the last four years for certain and, I'm sure, in years prior to that too, we have in the main developed a position for the provinces, not by way of confrontation but a position the provinces could take forward to the federal minister to which he or that department might react. We've been fairly successful over the years, and I don't think the forthcoming meeting in Ottawa will be any different from the past. We've had considerable success, and I'm looking forward to the meeting on Thursday and Friday next.

Fishing Licences

MR. YOUNG: A second supplementary, Mr. Speaker, and it's to the Minister of Recreation, Parks and Wildlife. Because fishing is a very important attraction and facet of the tourism industry right across the country, I'm wondering if the minister could indicate whether any attention or consideration has been given to the possibility of obtaining a single fishing licence which could have application in any province or park. Has that been or might that be considered?

MR. ADAIR: Mr. Speaker, I think it has been considered in the broad context. I say that in the sense that in discussions we've had with other provinces about trying to come to a reciprocity agreement — and I think that's in essence what you're talking about, one licence that would cover all areas — we've had some difficulty with other jurisdictions as to their seasons,

their prices, and the like. We've attempted what you might call a warning situation, so that if major changes were taking place in various provinces, the adjacent provinces would be aware of the changes relative to licensing and opportunities. Beyond that, no, we haven't.

MR. YOUNG: A final supplementary, Mr. Speaker. In view of the minister's response, I wonder if I could put the point of view of a tourist coming into Canada, travelling across the country, and having to face different regulations and licences in different provinces. I'm wondering whether we couldn't take a more vigorous approach to this, especially given the conclusion of this document, which I think is a very real fact. Would the hon. Minister of Recreation, Parks and Wildlife be able to consider this and perhaps work through the meeting with the Minister of Business Development and Tourism?

MR. ADAIR: Mr. Speaker, I'd be prepared to follow that up.

MRS. CHICHAK: A supplementary, Mr. Speaker. I wonder if the hon. Minister of Recreation, Parks and Wildlife has given some consideration to not requiring Alberta residents to have sport fishing licences at all, but simply visitors to the province.

MR. ADAIR: No, Mr. Speaker, I have not.

MR. SPEAKER: Might this be the last supplementary on this topic. We have nine members who have not yet asked their first question.

MRS. CHICHAK: Thank you, Mr. Speaker. I wonder if the hon. minister would take that into consideration and perhaps make some decision for the coming year.

MR. ADAIR: Mr. Speaker, first of all I might say that our fishing licences are probably the lowest in Canada right now. I would be reluctant to make it any better than that for Albertans at the present.

Technical School Teaching Staff

MR. MUSGREAVE: Mr. Speaker, I'd like to address my question to the Minister of Advanced Education and Manpower. As the minister is aware, members of the teaching staff of NAIT and SAIT are concerned about the bargaining unit to which they belong. They maintain this particular union is indifferent to their needs. As a result they are experiencing low morale and claim the teaching standards are declining. I wonder if the minister could advise if he's been successful in devising ways and means whereby these teachers could have their own bargaining unit within the teaching profession?

DR. HOHOL: Mr. Speaker, the circumstance as it relates to the professional staff at NAIT and SAIT is exactly the same as for all other civil servants. That is in fact their classification, and they are covered by the collective agreement reached between the government of Alberta and the Alberta Union of Provincial Employees. That circumstance then makes the conclusion that the hon. member refers to, their

belonging to the union for employees in the Alberta public service.

MR. MUSGREAVE: A supplementary, Mr. Speaker. As the minister is aware — and I'm sorry to see he's leaving government — the teachers have been trying to suggest to the government for some time that they should be removed from the civil service and placed under The Colleges Act. Therefore they'd be able to enjoy the same abilities to bargain as college professors have. Is any progress being made in this direction, and hopefully will some success be achieved before he leaves the government?

DR. HOHOL: Mr. Speaker, as the hon. Member for Calgary McKnight appreciates, that's a completely different area of discussion, one of governance of institutions. We have placed four colleges under public governance. The institutions referred to as NAIT and SAIT don't readily fall into the notion of governance as do universities and colleges. However, the government, our department, and I personally do not have a closed mind on it.

However, I should like to make this significant point, Mr. Speaker: an institution would or would not be turned over to public governance on criteria related to education. It wouldn't be to facilitate membership in or out of a particular union, though it would have that effect if there were a board of governors. But that in itself would not supply the necessary and sufficient reason to move to a board of governors in those circumstances.

Automobile Insurance

MR. YURKO: Mr. Speaker, I would like to direct a question to the Minister of Consumer and Corporate Affairs. Recent legislation has increased the compulsory minimum third-party liability from \$50,000 to \$100,000. Is the minister conducting a monitoring program to determine the effects of this increase in regard to insurance cancellations, driving without insurance, and so forth?

MR. HARLE: Mr. Speaker, I couldn't say that we're monitoring it from the point of view of the question posed. However, I want to add that at the time we made that amendment requiring \$100,000 public liability coverage, we indicated that we anticipated the increase to those drivers who were only carrying \$50,000 public liability insurance would be approximately 6 per cent, which works out to in the order of \$13 to \$14 per annum in most cases.

There has been a fairly steep increase in the claims experience of insurance companies. I believe the records will show that the premiums could justify an increase of about 28 per cent for the \$100,000 coverage. However, to date the Alberta Automobile Insurance Board has only received applications for changes of premium structures from about 25 to 30 per cent of the volume of automobile insurance that's written in the province. Those range all the way from a decrease of about 25 per cent to an increase of 19 per cent.

That means well over half the insurance companies which are writing business in this province have not in fact applied for an increase. Some of the decreases have occurred particularly in the under-25

driver category. This is a result of claims experience. In fact the losses in the under-25 age category have not been as great; therefore the companies are revising their premiums downward, no doubt as a marketing tool in order to attract some business.

I'm sure hon. members will realize the insurance companies are still affected by the AIB program. I take this opportunity to point out that when that program ends and we see the continued claims experience getting worse, next year there would have to be a substantial increase in automobile premiums.

MR. YURKO: Mr. Speaker, a supplementary question to the Solicitor General. I wonder if he can indicate whether or not there is an increasing incidence of driving without insurance in the province of Alberta.

MR. FARRAN: Mr. Speaker, all I can say is that the patrol division of my department is presently investigating some 1,270 suspicious cases.

MR. TAYLOR: Mr. Speaker, a supplementary to the hon. Minister of Consumer and Corporate Affairs. Has there been any noticeable increase in the number of judgments since the public liability amount was increased to \$100,000?

MR. HARLE: Mr. Speaker, I haven't seen any statistical material on that. I'm sure the hon. member, who has served on committees involving insurance, knows it's very difficult to get this sort of statistical evidence, because you have to go over judgments and you're dealing with cases and time lapses. It would no doubt take a considerable amount of work to discover whether in fact that type of increase would have an effect. I'm sure the hon. member is aware that the general principle is that the judge hearing the case should not know whether there is insurance coverage, and in fact that is the case. Mind you, where you have an injured party making a claim and counsel are represented, sometimes it's fairly obvious who's on the other side.

Rental Housing — Vacancy Rates

DR. PAPROSKI: Thank you, Mr. Speaker. A question to the Minister of Housing and Public Works. I wonder if the minister would indicate to the House whether he has information to indicate whether the residential vacancy rate in Edmonton or Calgary has changed recently?

MR. CHAMBERS: Mr. Speaker, the last survey I recall looking at, which is fairly recent, showed a vacancy rate of about 3 per cent in the major metropolitan centres, and something greater in the non-metropolitan areas. I might add that 3 per cent to 5 per cent is normally considered a desirable range in terms of keeping the market competitive. Therefore that's a pretty happy situation compared to, say, a year ago, when there were essentially no vacancies.

DR. PAPROSKI: A supplementary, Mr. Speaker. I wonder if the minister would indicate the main items to which he attributes this particular change.

MR. SPEAKER: Clearly we're getting into the matter of opinion. I had misgivings about the previous ques-

tion because of the minister's recent news release, but this one is really getting us into the realm of opinion.

DR. PAPROSKI: Another supplementary, if I may. I wonder if the minister would indicate whether he keeps on file information as to whether the vacancy rate is highest or lowest primarily in the lower, middle, or higher rental accommodation. I think it's important for the citizens of Alberta to know where the problem really lies.

MR. CHAMBERS: Perhaps that question might be better referred to the Minister of Consumer and Corporate Affairs. Our very successful core housing incentive program has half the rents controlled and therefore very affordable. A lot of these projects are being built across Alberta, especially in the major metropolitan centres, and they are a major contributing factor to the rising availability of housing. So I would say from that that there's obviously a lot of affordable housing being built today.

MR. YURKO: Supplementary, Mr. Speaker. I wonder if the minister can confirm whether or not the government, in instigating a whole series of programs and new policies three years ago, in fact predicted that the vacancy rate would be 3 per cent by the end of this year?

MR. SPEAKER: Surely the hon. member himself is best able to answer his own question.

Senior Citizens' Housing

MR. KUSHNER: I wish to ask a supplementary question of the Minister of Housing and Public Works. Could the minister inform this Assembly if the vacancy rate has in fact increased in the senior citizens' lodges or high-rises?

MR. CHAMBERS: Mr. Speaker, let's put it this way: because of the massive building program for our senior citizens during the term of this government, we are now catching up in this area. It's very nice to see. Of course, as people get older there's continuing demand. Senior people in our province really love our senior citizens' homes and self-contained lodges.

DR. BUCK: Now they're writing better speeches for you, Tom.

MR. CHAMBERS: Walter, you were talking to me about Josephburg yesterday, and you know . . .

Mr. Speaker, I would conclude by saying to the hon. member: yes, because of the massive number of homes we've built for our senior citizens in this province, there has been a considerable catch-up.

MR. KUSHNER: A supplementary question to the minister. Is it in the area for single people or in a double dwelling?

MR. CHAMBERS: Mr. Speaker, I'm not going to get too far into that question. The standard type of unit we're building will accommodate a couple or a single person.

Power Plant Applications

MR. BUTLER: Thank you, Mr. Speaker. My question is to the Minister of Energy and Natural Resources. Has the ERCB reported to you on its progress with either the Sheerness or the Genesee power project?

MR. GETTY: No, Mr. Speaker, the government has not received a report yet on either of those two projects. As I recall, though, the hearing on the Sheerness project, which would probably interest the hon. member more directly, was conducted some time ago. We should be receiving a report fairly soon. I will check to see the current state of that report and let the hon. member know if it can be expected shortly.

Lottery Funds

DR. WEBBER: Mr. Speaker, I'd like to direct my question to the Minister of Government Services and Culture. It's related to the western Canada lotteries, both the Express and the Provincial. I understand there has been a formula for the sharing of these funds, including funds toward the Commonwealth Games, both cultural and sports, as well as toward the Calgary Exhibition and Stampede, Edmonton Exhibition, and a number of foundations. Now that the Commonwealth Games are history, is any new formula being developed for the sharing of the revenues from these lotteries?

MR. SCHMID: Mr. Speaker, since the different foundations that are in existence regarding the preservation of historic sites, the performing arts trust fund, and the cultural heritage fund have received a rather small amount this year, if anything at all, because of the cultural contribution to the Commonwealth Games, these really are the major recipients. If you care to take this division in mind, actually the total amount is not very much, considering that the restoration of one site can sometimes go into millions, and/or of course the performing arts in themselves in a co-operative program take quite a large amount as well.

DR. WEBBER: A supplementary, Mr. Speaker. I wonder if the minister could indicate the amount of funds accumulated for Alberta's share of Loto Canada, and what commitments have been made with regard to those funds.

MR. SCHMID: I would like to refer this question to the Hon. Allen Adair, Minister of Recreation, Parks and Wildlife, under whose jurisdiction this contribution by Loto Canada exists.

MR. ADAIR: Thanks very much, Mr. Speaker. To date the Loto contributions to the province of Alberta are roughly \$0.5 million. They are in a trust fund and are to be used basically for the promotion of amateur sport and the likes of training programs relative to the Commonwealth Games, the Pan-Am Games, the Olympiad for the Disabled. At the moment there have been very few disbursements of the fund. We are just in the process of upgrading the regulations from the old Olympic lottery fund to the new Loto fund.

MR. SPEAKER: Is there one more supplementary? The time for the question period has expired. Possibly the hon. Member for Calgary Bow could continue with his supplementary. Then, if the Assembly agrees, the hon. Minister of Utilities and Telephones would like to supplement an answer.

HON. MEMBERS: Agreed.

DR. WEBBER: A final supplementary, Mr. Speaker, to the Minister of Recreation, Parks and Wildlife. I was wondering whether or not his department has been receiving revenues from the Western Canada Lottery in addition to Loto Canada.

MR. ADAIR: Mr. Speaker, no. The funds relative to the recreation side of the Western Canada Lottery have been going directly to the Commonwealth Games to meet that particular account, and I assume they will be for about two or three more draws. I'm not sure.

Gas Blowout (continued)

DR. WARRACK: Mr. Speaker, I'm pleased to provide the House additional information on the important two-part supplementary asked by the Member for Grande Prairie. First, the gas blowout is a well rather than a pipeline blowout. Secondly, it is sweet gas; therefore there is no hydrogen sulphide in the blowout.

Lottery Funds (continued)

MR. SCHMID: Mr. Speaker, to supplement the answer of the Hon. Allen Adair, I should mention that there is still an outstanding commitment to the Commonwealth Games of \$1,800,000, which is going to be made available through Western Express and the Provincial lottery.

ORDERS OF THE DAY

MR. SPEAKER: May the hon. Member for Lloydminster revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. MILLER: Thanks very much, Mr. Speaker. It gives me great pleasure at this time to introduce to you, and through you to the members of the Legislature, 32 students from Lloydminster junior high school. They are accompanied by their teachers Mr. Butcher, Mr. Tradewell, and Mr. Squair, as well as their bus driver Mr. Lattimer. They are seated in the public gallery, and at this time I would ask that they stand and be recognized by the Assembly.

head: GOVERNMENT MOTIONS

24. Moved by Mr. McCrae:

Be it resolved that the Legislative Assembly concur in the recommendation made by the Select Standing Committee on the Offices of the Auditor General and the Ombudsman and recommend that the Lieutenant Governor in Council reappoint Dr. Randall Ivany as Ombudsman upon the expiry of his present term of office, for a further period of five years.

MR. McCRAE: Mr. Speaker, it is my pleasure today to move Motion No. 24 standing in my name. Of course it involves the illustrious gentleman seated in your gallery, whom you introduced a short while ago.

Mr. Speaker, some five years back I was a member of the original select committee that selected Dr. Ivany as the second Alberta ombudsman. He was of course appointed in 1974. Having been on the original committee, I take special pleasure in being on the select committee that made the recommendation to the Assembly a matter of two days back.

I think we're very fortunate that we have a man of Dr. Ivany's calibre for this important office. I'm sure members of the Assembly will be very happy indeed that he has agreed to accept another term.

He has had a number of achievements during his term of office, and under his stewardship the office has grown in stature and reputation both locally and internationally. At home, he has made a practice of taking the office to the people of Alberta and has provided an opportunity for people living outside Calgary and Edmonton to discuss their complaints personally with him and his staff in their home communities rather than travelling to the major metropolitan areas. In fact, he and his staff have made 36 visits to some 19 communities in Alberta, from Pincher Creek to Fort McMurray, Lloydminster to Grande Prairie, travelling in excess of 170,000 highway miles.

In the past four years his very competent and dedicated staff have increased by only two, from 16 to 18. I think that is consistent with the general policy of the government to try to contain the growth of the public service in Alberta.

On the recommendation of the select committee, Dr. Ivany has initiated contacts with the Native Secretariat and a variety of native organizations to bring his office closer to our native people. Further, by way of amendments to The Ombudsman Act, 1978, which provided for ombudsman investigation in response to ministerial requests, he has conducted or is conducting two very important investigations.

Of further importance was the establishment by the Legislature of a select standing committee to provide liaison between his office and the Assembly. One of the first recommendations of that special committee is the reappointment of Dr. Ivany to the ombudsman office.

On the international level, Mr. Speaker, Dr. Ivany hosted the first International Ombudsman Conference, at Government House in Edmonton from September 6 to 10, 1976. It was the first gathering of its kind, and 40 ombudsmen from 18 countries attended. Arising out of this conference was the establishment of the International Ombudsman Steering Committee to act as a link between appointed ombudsmen. Dr. Ivany was appointed chairman of this steering committee. It has members from many countries, includ-

ing Denmark, Germany, France, Australia, Fiji, the United States, and of course Canada.

A second task for the International Ombudsman Steering Committee was the establishment of an International Ombudsman Institute to gather and disseminate information on the concept of ombudsman-ship throughout the world. In May 1977, Dr. Ivany presented to the steering committee a proposal that such an institute be established at the Faculty of Law, University of Alberta, Edmonton. The proposal was endorsed by the steering committee, and the institute is now established at the university.

Mr. Speaker, in choosing my remarks today, I went back to the introductory remarks made by the hon. House leader when he first introduced Dr. Ivany to the Legislature. That was on April 3, 1974, and Mr. Hyndman said at that time that Dr. Ivany has had a number of careers:

[His] broad experience in life . . . marks a man who is mature and contemporary and who does have an outlook of practical realism to world affairs. Certainly he does have a quality of determination, and . . . a flash of independence . . .

[He is also] a person who especially enjoys visiting with people in smaller centres and rural areas . . .

Results, as seen through the doctor's participation at the international ombudsman level and taking his office to the people of rural Alberta, I think are ample evidence of the continuing appropriateness of those remarks made in 1974.

Mr. Speaker, it is therefore my pleasure to move this motion on behalf of the government, in the knowledge that Dr. Ivany will continue with the dedicated performance of his responsibilities for the people of Alberta.

Thank you, sir.

MR. MANDEVILLE: Mr. Speaker, in making a few remarks to Motion 24, on behalf of the opposition I want to assure you that we're going to support this motion and are pleased that Dr. Ivany has agreed to extend his service to the people of the province of Alberta. We appreciate very much the work Dr. Ivany does in the province. We also appreciate the fact that sometimes he has to step on people's toes. He has to do this, and he reports to the Legislature on it. This is a very good system as far as I'm concerned. I know in my area — and several other MLAs I've talked to certainly have been assisted a great deal as far as the ombudsman of this province is concerned.

The mover indicated that the ombudsman travels throughout the province. I think to move from area to area in the province is a very good concept. However, this considerably increases the ombudsman's load. If we do have to increase the load I think we should increase the staff. Looking at some figures this morning, the ombudsman had 776 complaints in 1974 and 1,010 in 1978. But, Mr. Speaker, these are only the complaints that come under the jurisdiction of the ombudsman. The concern I have is that many more complaints come to the ombudsman's office that can't be dealt with. Almost 50 per cent of the complaints that come to the ombudsman's office can't be dealt with under the jurisdiction of the ombudsman.

I would certainly have hoped that the committee we set up would have had a recommendation that the

ombudsman have the jurisdiction to extend his powers to other areas. I'm thinking of municipal governments, school boards, irrigation districts, Crown corporations, and so on, because I'm sure many of the complaints come from municipal government. We've got to realize that municipal and provincial and sometimes federal governments have joint ventures. It makes it cumbersome, I'm sure, for the office of the ombudsman to deal with this type of complaint when it's not clearly spelled out whether it is for certain a municipal complaint or the provincial government has some jurisdiction in this area.

In some research we have done we find that in New Zealand and Nova Scotia the ombudsman has municipal jurisdiction. From all the information I could gather, it is working very well, as the ombudsman has the jurisdiction in all government areas.

But I appreciate so very much, and I've seen it happen so often — someone will come into the ombudsman's office with a problem, and it's been taken the full circle; they went from A to Z. The ombudsman's office can't deal with the problem, and they'll direct this particular complaint in the right direction and give some assistance to the people looking for some help or somewhere to go.

I would just like to say on behalf of the opposition, Mr. Speaker, that we're pleased this resolution is before the floor, and we're going to support it.

MR. YURKO: Mr. Speaker, I'm very pleased to have the opportunity to say a few words on this resolution.

But before I deal directly with the reappointment of Dr. Ivany, in light of the headlines that have appeared in the last several days and the apprehension one has — like me, for example, who will not be running again for this Legislature — I would like to take an opportunity today to pay tribute to another gentleman who serves and has served this Legislature very well and with great distinction. I would like to indicate that the Lieutenant-Governor of Alberta has recently indicated that he will be retiring in 1979 and not seeking a renewal of his term.

Mr. Speaker, walking amongst us we always have a few unique human beings, people of great quality and great compassion, possessed of a form of grace that is a gift of very few, but which the Lieutenant-Governor and Mrs. Steinhauer possess fully.

DR. BUCK: Mr. Speaker, on a point of order. We all respect the Lieutenant-Governor, but I believe the hon. member is out of order. We are speaking to The Ombudsman Act.

MR. SPEAKER: I would have to agree fully with the hon. Member for Clover Bar. There's no conceivable rule under which I can see it valid to extend the debate in the direction now being attempted by the hon. Member for Edmonton Gold Bar. Of course, that takes not one whit away from the high regard in which His Honour the Lieutenant-Governor is held.

MR. YURKO: Mr. Speaker, as I am not being allowed the privilege and the latitude — and I respect your ruling, as you had no other choice but to make the ruling you just made — I shall have to take it upon myself to express privately my respect for the hon. gentleman and his lady, who have served this House for so many years.

MR. SPEAKER: It would be open to the hon. member to put an appropriate motion on the Order Paper if he wished an address expressing appreciation to go from the House.

MR. YURKO: Thank you very kindly for the suggestion, Mr. Speaker.

Coming back to the motion, I was in this House quite a few years ago when the legislation establishing the office of ombudsman was passed by this Legislature. It was the first such legislation in Canada. It was a noble move by the previous government and a real tribute to the premier of the day, the hon. Harry Strom, a premier who stepped boldly in a number of worth-while directions like establishing the office of the ombudsman and establishing the Department of Environment.

Since then the office of the ombudsman has had two occupants. Mr. George McClellan was the first, and we are very proud of what that gentleman did. For he started and built an institution and gave it teeth. He produced a sense of fairness in the treatment of human beings in this province. Very well I remember the Philipzyk case which the former government tried to sweep under the rug against the doggedness of the true ombudsman we had at that time. The government didn't win that case; the ombudsman did.

Mr. McClellan was followed by a full term by Dr. Ivany, a man trained in human brotherhood as well as in administrative matters. In my estimation, Dr. Ivany has applied the same tenacity, fairness, concern, and enthusiasm as did the former ombudsman, George McClellan. He has become a very valuable asset to the institution, this Legislature, and the people of Alberta.

Mr. Speaker, I am very pleased indeed to stand in my place and support this motion, because in supporting the reappointment of Dr. Ivany I also wish to confirm my stand of total support for the office of the ombudsman. As a member of this Assembly I have every confidence that Dr. Ivany will serve this post with distinction and diligence for the next five years.

Thank you very much.

DR. PAPROSKI: Mr. Speaker, very briefly but what I consider very, very importantly, Edmonton Kingsway also strongly supports this motion, as I'm sure all Members of the Legislative Assembly do. I'd like to underline, reinforce, and support in the most intense way the comments of other members.

Mr. Speaker, in my experience the ombudsman's dealings with the concerns of constituents have been not only positive but very, very helpful in a most human way. The present ombudsman and his staff have added much to this very important office. During this time, when we have complex and depersonalized bureaucracy — which unfortunately is unavoidable when we have governments, wherever they are — the office of the ombudsman has played a very important role. But that office must be filled with an able, capable, very finely balanced individual, and I believe we have that in Dr. Ivany, who not only understands but also cares enough to follow through appropriately to a conclusion. I underline and support this motion with other members.

Thank you.

[Motion carried]

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

Bill 34

The Landlord and Tenant Act, 1978

[Adjourned debate October 31: Mr. Harle]

DR. HORNER: Mr. Speaker, if we could just wait for a moment, the hon. minister is talking to the press and will be in directly. I've sent for him.

MR. HARLE: My apologies, Mr. Speaker, and to the House. Apparently I said something in the question period that created some interest in the press gallery.

Mr. Speaker, I was in the process of debating The Landlord and Tenant Act, Bill No. [34], and I'd like to continue where I left off yesterday. At this particular time, I'm pointing out the basic principles contained in the bill and some of what I consider to be new provisions in the bill that assist tenants.

Neither the landlord nor the tenant will be able to add to or change the locks on doors without consent of the other. However, if a landlord does change the locks, he must immediately give the key to the tenant. The tenant can still install a security lock which operates only from within the premises.

With regard to security deposits, we've accepted the recommendations of the institute and of the landlord and tenant advisory boards that the landlord should not be able to require from a tenant a security deposit greater than one month's rent. We've also provided in the bill that the landlord must return any excess.

Where the landlord breaches the terms of a residential tenancy agreement or contravenes any provisions of the bill, the tenant is given a statutory right to apply to the courts to obtain certain remedies, which include the abatement of the rent he has to pay and they can ask for a termination of the tenancy.

To assist tenants when the landlord sells the rented premises, we've provided that the new purchaser is subject to all the obligations of the previous landlord with respect to security deposits. The bill further provides that no deduction can be made from a tenant's security deposit for normal wear and tear to the residential premises during the period of the tenancy. This, I submit, will go a long way to eliminating one of the very sore points experienced by tenants when they try to get back their security deposits.

The bill will provide for access to the provincial court, and the provincial court is given the jurisdiction to grant any remedy or relief under the bill, other than in three specific areas; that is, to be able to give a judgment for debt or damages in excess of the amount prescribed by The Provincial Court Act, the new one presently before this Legislature. The amount of course is \$1,000. Secondly, it will be prevented from granting an equitable remedy, and of course that relates to the constitutional issue which I'll refer to in just a moment; thirdly, where the relief or remedy can only be given by the Supreme or district court.

I'd just like to make one comment about the consti-

tutional issue and the decision of the Alberta court of appeal which primarily related to Section 96 of the British North America Act which provides that only a federally appointed judge can deal with certain matters. Our court of appeal indicated it would not be constitutionally correct for the province to attempt to give the jurisdiction over orders for possession to a provincially or municipally appointed tribunal. That decision or opinion of the court of appeal does, in itself, give some indication that in order to meet the constitutional requirements there is a proper way of going about appointing a lesser tribunal than the courts, and that is by a summary procedure.

So the bill further provides that the provincial court may grant orders of possession, but this is restricted to residential premises where the rent is not more than \$500 a month and the term of the tenancy not more than three years. The decision of a provincial court can be appealed to the Supreme Court. This I submit will provide a much less expensive procedure for tenants and will provide for a very summary method to deal with what I submit will be the vast majority of landlord and tenant disputes in such a way that the tenant will not incur a great deal of legal costs.

The bill further provides that a landlord may not increase the rent unless he gives the tenant 90 days' notice or as long a notice as the tenancy agreement may provide. This is a continuation of the amendment we placed in the existing Landlord and Tenant Act recently that seems to be working reasonably well. The tenant is given the right to recover any rent paid in excess of the rent payable at the time of the notice.

We have also retained the right of the tenant to terminate his residential tenancy on a month's notice, if it is a monthly periodic tenancy, or a week's notice, if it's a weekly tenancy.

One of the requests I had from some of the landlord and tenant advisory boards was that they would like to be given more teeth. I have spent a considerable amount of time working with the landlord and tenant advisory boards and have been very supportive of the work they're doing, because I think they are in fact resolving many of the difficulties between landlords and tenants. That concept has been retained; those boards are municipally appointed and will be retained in this bill.

A new section provides for an offence where a person contravenes the bill. Basically this is restricted to four types of offences. One relates to the changing of locks in a manner not permitted by Section 20 of the bill. Second, the requirement of a security deposit of more than one month will be an offence. Third, the retaining of a security deposit in excess of one month's rent — there is a provision that that should be refunded. It will also be an offence to fail to return a security deposit within 10 days of the tenant vacating the premises. In such a case, the penalty will be \$1,000.

Mr. Speaker, tenants are affected by other tenants in the same building. Quite often the law-abiding tenant has to complain to the landlord when a tenant is causing some difficulty in the building. Obviously it's to the advantage of the law-abiding tenant to have landlord evict the offending tenant. In this bill, we've substantially improved the ability of the landlord to evict a tenant who has committed a substan-

tial breach. The amount of notice required is down to three days or less, if the court so orders, so a landlord can evict an offending tenant. A substantial breach is where the tenant is causing damage to either the premises or the common property, where he might be doing something illegal or carrying on some illegal activity or, in fact, is causing interference with the tenants.

Mr. Speaker, all these items I have been mentioning are new matters which just don't exist in the legislation at present. My addition of them would indicate at least 18 new areas, new matters, new heads, if you like, where we have provided for remedies and benefits which will flow to the tenant. I would submit to members of the Legislature that this bill is a package which contains statutory provisions which, taken together, provide substantial security of tenure to the tenant in the enjoyment of his or her accommodation.

Mr. Speaker, I would like to refer to one or two other matters. Perhaps the Clerk might indicate how much time I have left. Two minutes. Thank you.

The bill does not attempt to resolve all the problems relating to tenancy matters. One of the areas in which we obviously have to do some further work is mobile homes. The institute did issue its Report No. 28, entitled Tenancies of Mobile Home Sites. While mobile-home sites are included as a residential tenancy under the act, we will in fact be working on the further problems that report, issued in April this year, alludes to.

We rejected the recommendation that a covenant be placed on the landlord to maintain premises in good repair, or habitable, during the term of the tenancy. We believe that to do so would have imposed a burden on a tenant, as the landlord would obviously have to set his rents high enough to cover such repairs. We believe it is possible for a landlord and a tenant to work out who should be paying for repairs and who should be doing repairs. There's no evidence that landlords in this province are not keeping up their property, not maintaining their property, even with the rent control legislation we have. Therefore, we just didn't think it was justifiable to put a further burden on landlords which is obviously related to cost that would have to be passed through to the tenant.

Similarly we rejected the recommendation that the landlord must covenant to comply with the health and safety standards prescribed by law. This matter, I submit, is between the municipality and the provincial authorities and the landlord. Again, if it was placed in the bill, we might find landlords increasing their rents in order to cover this possibility. I think the other answer is that obviously the security of tenure does provide that the landlord can't just terminate quickly. He still has to give 90 days' notice.

We also reject the recommendation the institute made that related to clauses in leases providing that future rents become due and payable if there is some breach of the tenancy. The institute pointed out that this was not a serious problem, and we are not aware of any particular problems in this regard.

Mr. Speaker, I would like to ask all hon. members to support this bill.

MR. McCRAE: Mr. Speaker, I'd like to offer a few comments on this very important piece of legislation.

The minister has given a very comprehensive review of the legislation. I will not attempt to catalogue or go through the bill as he has, because I think he has explained it fully and adequately. But I think a couple of areas deserve comment, and I would like to make comments on those. A lot of attention was paid to the bill when it was introduced some three or four days back. Much of the comment was of a negative, critical nature. I think that deserves response.

It's an extremely difficult area to legislate in. As an MLA, I have had a number of calls over the past two or three years from landlords who express serious and legitimate concern about what they regard as the right to do what they will with their own property. Like all other members here, I recognize that if you're going to be a landlord there have to be some rules and regulations to abide by in order to have fairness for the tenants. I've also had calls from a number of tenants who expressed their concerns about their position vis-a-vis their landlords. Again, I recognize that a tenant should be entitled to expect certain assurances and protections. That is the difficulty of legislating in this area. You have two groups: the landlord on one side, expecting certain rights and privileges of property; and the right or need of the tenant to feel secure in his home.

I think the best security would be a good tenant/landlord relationship. Now, that is much more difficult in a situation where you have a tight housing supply like you have had in Alberta. I was extremely reassured today to hear from the Minister of Housing and Public Works that the rental situation in the metropolitan areas, Calgary and Edmonton, is improving and that the vacancy rate is approaching 3 per cent. I think we should all be aware that the vacancies are probably in the higher cost housing area, so it may not be quite the boon to the tenant that we would expect. In any event, there is a choice out there, which there wasn't a couple of years back.

I think we should start from the premise that the large majority of landlords are responsible, decent Albertans, and similarly the large majority of tenants are responsible, decent people. When you have that kind of person, probably you don't need any kind of landlord/tenant law at all, except for the record. But we must remember that there are always exceptions to the case. Whether willfully or through carelessness or circumstances that may develop, there are going to be differences between landlord and tenant, and that is the area we need to legislate in.

Let me make a general comment before I really embark into the details of the statute, Mr. Speaker. Some of the comments last weekend sort of assumed that some members have larger hearts and a better feeling for tenants than others. I categorically reject that. I served on a committee with the hon. Minister of Consumer and Corporate Affairs that made recommendations to the government caucus based on the Institute of Law Research and Reform report, and there isn't one of them who doesn't have the best interests of the tenant at heart. The difficult thing is to balance that with the landlord's views of what will encourage him to invest in further housing. That is the key to it, an adequate supply of housing. That only comes about, Mr. Speaker, if people are prepared to take money and risk it on construction of new housing. So we try to balance that, and we've come up with a bill that I think effectively does that.

We in Alberta are — I think in large part because of this Legislature and the government — in an opportunity situation which attracts people here, as the opportunity province, for the jobs that are available here. Of course that exacerbates the housing problem and causes all sorts of difficulties because of a prior low vacancy rate. I think we're very fortunate to have that type of problem, and of course we must try to respond to that responsibly. The response just can't be out there crying for the one side, that we should do this, we should do that. What we've got to do is try to balance the interest so that we will have an adequate supply of new housing coming on the market to offer the tenant a choice.

I think back four or five years ago when there was an extreme vacancy rate in Calgary, and I'm sure in Edmonton and other major centres, to the extent that landlords were offering one month's free rent, two months' free rent — all sorts of come-ons to tenants to take and occupy the premises. The situation, being cyclical, then went the other way, and there was an extremely difficult period when housing was in critically short supply. At that time there were opportunistic landlords, and I'm sure we all deplore the type of conduct that was exhibited. They did take advantage of the tenant, and I suppose that is the area we should be trying to solve.

The best solution to it — and I come back to this again and again, Mr. Speaker — is to have an adequate and full supply of housing for the tenant to have a choice. Whether you are a home-owner or a tenant, your home is your castle and you need and should have some security there. Of course the best security is adequacy of supply, the choice factor, and the fact that you establish a good relationship with your landlord if you are a tenant. If you do I'm sure that, except in very unusual circumstances, the landlord will be very happy to have you there on a long-term basis.

I won't go through the many, many changes in the act — I think the minister indicated there were about 18 of them — which are of advantage or protection or assistance to the tenant. I want to remark on just two areas. One is the deposit. I think the bill is very, very forward in limiting the deposit amount that can be taken by a landlord to one month's rental. I think that is more than adequate and protects landlord/tenant interests.

A comment I'd like to make on the deposit is that we have provided in the act what we hope is a summary remedy for a tenant to get his deposit back in a situation where he has not caused any damage to the property, and he should get his deposit back very quickly. Mr. Speaker, I had a call about two weeks back from a very irate young person in Calgary. I think we should recognize that a lot of tenants are younger people, they are mobile, they move here and move there. If the landlord doesn't respond to their request for a return of the deposit, they may indeed be in a very difficult circumstance in trying to recover the deposit. The complaint I had was that the landlord refused to return the deposit on the grounds that there had been unusual wear and tear to the leased premises. The tenant, as provided by the present act, took the landlord to the small debt court, which is supposed to be a summary remedy for tenants. The landlord did not show up. A family representative explained that the landlord was out of town, and the

small court judge adjourned the matter for 90 days.

Now this particular tenant is a young person, he's mobile, he may not be here 90 days from now. The cost, expense, and inconvenience of him coming back to try and recoup his deposit isn't something he can reasonably undertake. I think the small debt court judge in that case was extremely remiss in adjourning the matter for 90 days. The procedure recommended is a summary one, that the landlord gets due notice of the proceedings. When he's hailed into court I think it's incumbent upon him to be there one way or another by way of defence. If he chooses to send someone else, fine; let the other person put in his defence. He may run some risk because there's no opportunity of cross-examination. I think the judge would have to take that into account.

The problem there, Mr. Speaker, is not with the statute as it is or with the legislation that is proposed; the problem is in the administration. I hope the minister will undertake to make representation to the court that these applications for deposit return be expeditiously handled. I would like to make the representation myself, Mr. Speaker, but I don't want to run the risk some of our federal colleagues have run into of talking to judges about specific cases. So I would ask the minister to take that comment under request and pass some sort of advice to small debt court judges that the matters be handled promptly.

Mr. Speaker, I'd like to come briefly to the security of tenure question. I'm sure all of us have a great deal of empathy for a tenant who, for reasons of choice or necessity, lives in a rented premise rather than in his own home. We all wish him the best relationship with his landlord and a long-term security. That won't always be the case. There will be situations where the landlord requires the property for valid reasons. In that case, upon proper notice, the tenant will have to leave. In providing a 90-day notice for tenancies of a monthly nature, or 30 days for a weekly type of tenancy, we have given a form of security. I recognize it isn't the full-blown security a lot of people would speak for. Perhaps we'll come to that sometime in the future. There's a great deal of controversy or question as to whether a security of tenancy situation is possible without rent controls themselves. I also have grave doubts, expressed by the institute in its report, of the feasibility of security of tenure on a long-term basis without rent controls.

This Assembly has rejected rent controls of a long-term nature as being counterproductive. So the remedy we have come to is to suggest a 90-day notice period for monthly or longer tenancies and a 30-day notice period for shorter or weekly tenancies. I suggest, Mr. Speaker, that that is a reasonable period. Anyway it's only in the very exceptional situation that a landlord is apt to give notice to a tenant who is behaving himself, conducting himself in an appropriate manner vis-a-vis the landlord himself.

Mr. Speaker, I just got a note here from one of my colleagues, suggesting he was going to forward a copy of *Hansard* to the judge who was sitting on the case I referred to. I hope he does, because that will be one way of my speaking to him without getting into difficulty with the legislative system.

In any event, Mr. Speaker, I do support the bill. I think it's a reasonable balancing of the tenants' interests with the landlords' interests by way of encouraging the landlord to build more lease proper-

ties so that the tenant does in fact have a choice, and if he's not being treated correctly or properly by his landlord, or in the style to which he would like to be accustomed, he can take his own remedy and move elsewhere. I recognize that the bill does not contain the aspect of long-term tenure that gives the tenant assurance that he can stay forever if he wishes. But I suggest that in most cases between reasonable landlords and reasonable tenants that relationship can be assured by the private contract or agreement system that is so common in Alberta and in any free-enterprise area. In short, Mr. Speaker, the solution to the tenure question is in the hands of the tenant in most situations. I am sure that in a large number of cases the landlord would be more than happy to accommodate the tenant if he wishes to make a long-term agreement with the landlord.

Again, I suggest it is a very finely balanced act between the landlord and tenant, and I reject the criticism I saw last weekend that it was weighted so much in favor of the landlord. I think it is a fair bill and deserves the support of the House.

MR. TAYLOR: Mr. Speaker, I too would like to say a few words on second reading of The Landlord and Tenant Act. First of all, I realize that this type of legislation is difficult, because there are good landlords and bad landlords and good tenants and bad tenants. Sometimes we're inclined to weight legislation in favor of good landlords or good tenants because of the bad ones in those categories. But I think the enforcement of some of the things that are already in the act is going to be an important factor. If this enforcement does not take place, we have some landlords who get away with "murder" simply because the tenant is uninformed and afraid to go to court.

I came across two cases in Calgary — at least they came to me. One was a former Drumhellerite, and I suppose that's why he came. The other was a waitress in a restaurant where I eat periodically when I'm in Calgary. The tenant who was from Drumheller showed me a one-year lease for \$425. Part of that lease said that if he did not stay the full year, the deposit of \$300 would be confiscated. I don't think that use of a deposit was ever intended, and it shouldn't be allowed. I reported this to the landlord and tenant [office] in Calgary; I haven't yet had a reply.

If a landlord is going to be able to say to a tenant, you either stay the full year or your deposit is going to be confiscated, that's not the purpose of the deposit at all. As I understand it, the purpose of the deposit is: if the tenant does damage to the property, that deposit will pay for that damage or part of that damage. But, in my view, to use the deposit to force a person to stay for one full year because he has a one-year lease is a terrible misuse of the deposit. I don't think landlords should get away with that type of thing.

Another thing in connection with a five-year lease: the landlord insists that he give one full year's notice before terminating the tenancy. I think one full year is too long altogether. I don't see the five-year lease mentioned in the act. Perhaps it's there, but I didn't see it. Surely 90 days is an ample period in which to cancel a lease, or the other way as well. The one-year lease certainly should be able to be cancelled in

far less than one full year.

However, my main objection to that particular lease is that it says the deposit will be confiscated if the tenant does not stay in that place for one full year. Again I emphasize that in my view that is a misuse of the deposit, and the landlord shouldn't get away with that type of thing.

Another case that came to me was the waitress who said she left her house; she had paid a deposit of \$250 when she had her suite; she gave proper notice. She said she got down on her hands and knees and cleaned the place thoroughly before she left. Two or three days later when she went after her deposit, the landlord said, well, we're going to charge you \$137 because we have to scrub out the suite. Now, the deposit was never intended for scrubbing out the suite, even if she hadn't cleaned it up. This is the type of thing that's making tenants angry. In my view there should be enforcement; they should have a place to go where they can get these things enforced and, without going through a court of law, have someone who can talk turkey to a landlord who's being unfair and exorbitant, the way these two landlords are.

I then come to the other side of the case where a landlord has been more than fair. He kept the rents down in the period prior to rent laws coming in. Then he couldn't raise it for a few years, not anything to what the rent was with other comparable places. I believe the provision to permit those people to come up to a reasonable average or a rent that was fair with a similar accommodation was made a year ago. And properly so. Some of these rents were below where they could even pay their taxes. That type of thing was completely unfair to the landlord. As I said before, there are some excellent landlords too, who went the second mile to keep the price down so the tenants wouldn't be hurt. Then they got hurt when they found that the government wouldn't let them raise the rents periodically over that freeze period. I hope that part can now be looked at. Where a landlord has been more than fair, he should be able to bring the rent up to a reasonable amount so he can pay his taxes, keep the house in repair, and so on.

Those are the only two points I had to mention on this bill, Mr. Speaker. But I would certainly urge the hon. minister to have someone enforce these deposits so that deposits are used for the purpose for which they were intended, and not for any wild scheme that the landlord happens to think up.

MR. MANDEVILLE: Mr. Speaker, in making a few comments on The Landlord and Tenant Act, I too certainly agree that it's difficult to come up with a balanced piece of legislation for landlords and tenants. We're always going to be facing problems in getting an act that will be a perfect balance between landlords and tenants.

Mr. Speaker, I am going to support the act. I certainly would like to have seen the act introduced earlier in the session so we could have had more input from some of the residents, the tenants and landlords, and advisory committees in the province. I think it would have been advantageous to have had legislation as important as The Landlord and Tenant Act sent out and had comments come back as far as amendments to the act were concerned.

I have read news items on security of tenure; Here

again, Mr. Speaker, it is difficult. How far do you go as far as security of tenure is concerned? We certainly want tenure to be as secure as possible for our tenants. I certainly have to applaud the 90 days. If we went over the 90 days, we could run into situations where it could reduce our landlords as far as renting leased accommodations is concerned.

I do run into one area occasionally that I think causes problems. A tenant will take a year's lease with a landlord, and sometimes the tenant doesn't realize that he pays the rent on a monthly basis. Sometimes our tenants will leave, and they're obligated to pay the full year's rent. On two or three occasions I've run into this situation. I really don't know how it could be remedied. The tenant and the landlord certainly know the type of agreement they're going into.

Mr. Speaker, the minister did mention briefly one of the areas in the act that gives me concern from time to time; it relates to the mobile-home park owners. I have to say that we're certainly short of areas to park mobile homes in this province. As we realize, a lot of transient people are coming into this province. This is an area where we certainly need to have some relaxation and approval as far as subdivisions are concerned so we do get more mobile-home parks in the province of Alberta.

One area that does give me concern is where a mobile park owner is acting as an agent in some cases for the sale of mobile homes. I certainly don't think this should happen. It happens in so many cases, Mr. Speaker, because there is a big demand for spaces in mobile parks. The salesmen for mobile homes will tie up these lots. If a lot becomes available, he will go and give \$500 or even \$1,000 to get that particular spot on a mobile park. No law restricts them from doing this, and it's happening in many of our mobile-home parks in the province.

In a lot of cases, when a mobile home comes up for sale the park owners are the agents. They have to approve the sale of that mobile home in the park; if they don't, the owner has to move it out. So I certainly hope the minister will look into this situation. I know the advisory committees have had some input to the minister's office in this area.

Another area that does give me some concern is changing buildings from apartments to different uses. I realize that has been partly taken care of at this point. This puts many more tenants on the market and makes our rental accommodations harder to get.

From time to time, Mr. Speaker, a landlord, before taking a tenant in — the tenant will have to have a recommendation from the last or last two or three landlords. I really don't think that should be the case. I think landlords should make an assessment of the tenants themselves without having recommendations from their last landlords, because in some cases it could be a biased opinion of the particular tenant or they are new tenants and don't have any landlord to make recommendations.

As I've said, Mr. Speaker, I'm going to support the bill, but I certainly hope the minister is going to be open to amendments at a later date. When The Rent Decontrol Act expires, I certainly hope some of the sections in it will be incorporated into The Landlord and Tenant Act.

Thank you, Mr. Speaker.

MR. GHITTER: Mr. Speaker, in addressing a few remarks relating to this very important piece of legislation, I want firstly to say how nice it is to see so many of the rural members here to deal with this, more of an urban problem I suppose. I'm going to take my tractor off my desk and put it down, because I hope many of our rural members will suffer through this debate of what happens in high-rise and rental Alberta, as compared to the many hours we sit in this House with the rural problems of sows, horses, eggs, and things like that. I think it might be very important legislation, and I'm happy to see so many of our rural colleagues here today and happy to hear the very important contribution of the member from Brooks this afternoon. [interjections]

Are you ready now over there? All right.

AN HON. MEMBER: Time.

MR. GHITTER: Thank you.

Mr. Speaker, I think it can honestly be stated that in the time I've had the privilege of representing a downtown community in this province, the problems that relate to landlord/tenant matters are probably more difficult than many problems that arise in human relations in that everything seems to be pinpointed in a large structure of a very impersonal nature, where the problems become so very acute. I think when you represent an urban riding with many high-rise apartments in it you find the unfortunate sides of cases from both the landlord's and the tenant's point of view.

I've had a number of occasions to visit suites where landlords have shown me the havoc that has been wreaked upon the suites by some people who show no respect for the premises they are renting. Unfortunately a small part of our population basically acts like pigs, Mr. Speaker, in the way they deal with other people's property. Some of the disasters they create in these suites are unbelievable, their lack of respect for the premises in which they are living, and just the filthy way in which some people, unfortunately, live. I know I'm talking of a very minor group of people in the province, nevertheless it does exist.

On the other side of the coin, we all can recall in this House the problems we have experienced in a tight rental market when landlords have acted just as badly, where landlords taking advantage of the situation have placed tenants in untenable positions and caused rents to be forced upon tenants that are just unreal, unreasonable, and totally unfair.

Many of us, I know, have experienced the feeling when a senior individual comes and tells you their rent has increased by \$150-\$200 a month; they can't afford the moving bill, if they move out they don't have a place to go, and the landlord is sitting there with an eviction notice hanging over their heads.

After dealing with the problems on both sides one can only come to the conclusion that, firstly, landlord/tenant relationships are very imperfect by their nature and that nothing put into a code of law by way of landlord/tenant legislation is ever going to satisfy everybody. In fact those who try to create a codified law of landlord/tenant, I think, go a little frantic in trying to codify what has been a legalistic, heap-on-heap type of law and development that goes back in our tradition and our laws, I suppose, to the 17th century. As a result, we have inherited many

laws that don't make sense and are superlegalistic in their nature. One who tries to work his way through landlord/tenant legislation, which some would think is very simple, finds immediately, upon reading reports like this from the Institute of Law Research and Reform, that the area is fraught with legal difficulties and complexities and encumbered by old legal precepts that really don't have much relationship to what is actually occurring in our society today.

Firstly, Mr. Speaker, I want to commend those who took on the responsibility of drafting this legislation, because I feel it's very difficult legislation to draft. It's not easy to take a report of this nature, try to look in terms of the laws that exist today, and come forward with a piece of legislation that makes sense and isn't overlegalistic in its nature. What we're doing today in fact is blending the common law with the statutory law; we're leaving certain things unsaid on the understanding that you just cannot possibly codify landlord/tenant relations. So basically this legislation, I feel, is endeavoring to set out the basic, key, controversial areas and to deal with them.

You can't deal with landlord/tenant legislation in a vacuum. We have done a number of things relating to landlord/tenant legislation in the last number of years. I'm sure hon. members will recall many of the debates we have had in this regard. We came forward, for example, with legislation that required landlords to give a 90-day notice of an increase in rent. That was a very important piece of legislation and at least gave our tenants some breathing space, when a landlord came forward and gave them notice for a rent they couldn't afford, at least to endeavor to find new space.

We came forward with legislation relating to conversion to condominiums. Some tenants were finding themselves in a position where the landlord wanted to convert their building to a condominium, and we passed laws in this House that required a six-month notice to the tenant if it was the intention of the landlord to convert the building.

With respect to the mobile-home courts raised by my friend to the right, we came forward with legislation that required one year's notice to mobile-home landowners if they wished to convert the land to a different use. You may recall, hon. members, we amended the legislation to make sure at least a year's notice would be given to those tenants, because it is very difficult to find a spot to put your mobile home. We have examples of that now in the city of Calgary, where individuals have received notice; the year is now up, and they still can't find a place. I think we were at least sympathetic enough to the problems to come forward with important legislation in this House to deal with them.

Then all of us will remember the transition, when we got into a very tight rental market where we fought with the difficulties of rent control. Many of us very reluctantly supported a concept of rent control in our province when the federal government came in with the Anti-Inflation Board, and regulations and requirements. A great and important job was done in trying to dampen the aspirations of many landlords trying to take advantage of a very tight market.

I was prouder than all with respect to legislation, as I think we were the only government that had the fortitude to come forward and say, we've got to get out of rent control. We don't see other governments

in this country doing that right now. I think we were wise enough in this House in terms of landlord/tenant relations to say that in the long run rent controls will not work and we must get out of them. We came forward with, I think, some very important legislation.

It worked, Mr. Speaker, because now in the province of Alberta we've tried to unleash the market to encourage, through very important housing programs and very enhanced construction abilities to our developers — we now find ourselves in the immensely enviable position where we have a vacancy factor in Edmonton and Calgary. That was in a very brief period of time. That has shown me that if you leave the private sector alone and don't throw a bunch of hampering legislation at them, they will meet the housing needs of our society. They have done it in areas like Edmonton and Calgary, particularly, where the population is growing more rapidly than anywhere else in Canada, where more people are coming and needing accommodation. Against that backdrop we still are experiencing an accelerated vacancy factor.

That is important and instructive to all of us in dealing with landlord/tenant legislation. It's instructive because it tells us that when we told the development industry we were getting out of rent controls and passed legislation to say it, the development industry responded and started constructing buildings. When we said to the development industry, we have our core housing programs and the very important apartment assistance programs, they responded and took us up on it. They used our money and started building multifamily residences in such volume that if one visits Edmonton and Calgary today and goes to our outlying and central areas he will find an immense growth of multifamily housing beyond any comprehension of those of us who passed legislation in hopes we would have it.

What that really says is that, as the Minister of Consumer and Corporate Affairs and my friend from Calgary Foothills referred to, we must endeavor to achieve some form of balance between these two very opposite parties, and we must look at it in the backdrop of what is happening in Alberta today.

A lot has been said about security of tenure in this House. Mr. Speaker, I was and still am one who feels that security of tenure of one kind is very important. For example, a few years back I presented a private member's bill to this House suggesting security of tenure should be considered by this Legislature as one way to assist tenants who were finding these notices coming at them with no reasons and were being put out on the street. That was in a very tight rental market. I think this bill has an element of security of tenure in it, to a degree at least. I think the fact that we've moved from a 30-day to a 90-day notice provision for tenants to get out at least provides security of tenure so that they will have an opportunity to find accommodation. But I also say that if we find ourselves moving into a position where the vacancy factor gets to that dangerous point of under 1 per cent, as we experienced before, this House may once again have to consider moving into the backdrop of what is occurring in our society and making changes, even considering again bringing in security of tenure.

I don't regard this bill as being the ultimate. I think

it will be changed many times by subsequent legislatures in order to meet the needs of our people, as we have done on a number of occasions in the last five years. Particularly I am not as concerned today as I was three years ago to bring in the type of security of tenure I proposed at that time, because, fortunately, conditions have changed for the better. As the Member for Calgary Foothills stated, the supply is the answer. There is no question about that.

But I would still caution the Legislature that if supply falls behind — and I hope that will never occur again — the problem of security of tenure may again come upon us and we may have to respond. We must not be inflexible in dealing with landlord/tenant legislation. In this House we must always keep our minds open and be able to respond quickly to changing situations, as we have done in the past. I think that is important.

Those who stand forward like our friend who gets the publicity, calling this "the landlord act" or something and saying it's just for the landlords — I'm looking forward to our NDP friend's debate if, when he comes back to the House, he wishes to do so. He makes great hay by saying this is just a landlord's act. I say, Mr. Speaker, that is nonsense. If the member from wherever he is, our NDP friend, really . . .

DR. BUCK: Spirit River-Fairview.

MR. GHITTER: Thank you. Spirit River-Fairview — for a little while longer at least, I suppose.

If he really is concerned with the plight of the tenant and wishes to help tenants in their needs, he should be concerned with the potential impact if we become too restrictive on those who put up the buildings for them to rent. I have a feeling that, rather than making political hay by saying, well we don't have this security of tenure, one should have a slightly more open mind and give credit where credit is due. And the credit is due to those who would develop programs in this Legislature to assist the housing industry, and to those out there who took on the responsibility of bringing cranes into this province and putting up all these buildings of low-rise, high-rise, medium-rise, whatever, that have now alleviated the problem.

That has not alleviated the price problem. I don't know just what we can do in this House to alleviate the price problem. The price of housing, the price of construction of apartment blocks, and the cost of money have gone up in this province and with that the difficulties in trying to get a rate of return on your investment.

DR. BUCK: Change governments.

MR. GHITTER: In which province? Mr. Speaker, I think the citizens of the province here will decide whether they wish a change of government. Probably if they had an alternative, they may even think about it. But lately I haven't seen an alternative.

DR. BUCK: Typical arrogance.

MR. GHITTER: Mr. Speaker, my friend can call that arrogance and what he will. I just call it a very pragmatic approach to dealing with the problems of the province. I don't read my constituents as being

particularly unhappy with what has developed, and I don't know that any of my colleagues find their constituents are that unhappy.

Mr. Speaker, if I may return to where I was in dealing with the situation, I think one should compliment those in the development industry for meeting the challenge. As I look at the return received by those who put up apartment buildings, frankly I wonder how they do it. Even with the rents they are receiving, I wonder how they can take their invested capital and put it into apartments. Looking at the numbers and their obligations and rising costs, frankly I'm astounded that they will put their money into that kind of investment. I congratulate them for doing it, because I think their returns are marginal. I think it's incumbent upon us to try to create an investment climate so their returns will be at least satisfactory, so that they will continue to put up more multifamily residences in our province. That's important to remember.

I think it's also important to recall that there's not that much we can do in this House, I would submit, to assist tenants facing higher costs of rental, because if they went out to buy a house they would find that the same house they were trying to buy in this province of ours, which is doing so well and is so prosperous, would be much more expensive in its increased value than the increased rents they have paid over the last number of years.

I think it will test our courage in this House in 1980, when we come to the situation as to whether or not to stay out of rent controls, to actually stay out. I hope we do, and I'm confident we will. I'm confident we will if there are still vacancy factors in this province, and I certainly hope there will be.

In conclusion, Mr. Speaker, may I congratulate the Minister of Consumer and Corporate Affairs for bringing forward this legislation. After all, we just received this very important report from the institute in February 1977. Since that time we have taken an issue to the courts to have it determined whether or not we could move constitutionally, as we now feel we can on the basis of the way we have framed this legislation.

But may I just state one area of caution to the minister and to those who will be dealing with this legislation later; that is, it may well be back to us where we will have to deal with it further. It may well be that at a later date we'll be in the position of having to deal with security of tenure. I don't regard that as an issue right now, but it may become one. I hope if it does become one we will reconsider our position and seriously look at whether there is a need to create more security of tenure than the tenants enjoy by this legislation, which I think puts a tenant in a much better position than before.

I'm happy to support the bill in the form in which it has been presented.

DR. PAPROSKI: Mr. Speaker, as I rise to speak on this bill I can say quickly that my riding, Edmonton Kingsway, has a high percentage of tenants. They have a serious concern regarding this type of legislation, as they had a very serious concern regarding the rapidly rising rents to a degree almost impossible to believe — in the vicinity of 50 to 100 per cent, as the hon. Member for Calgary Buffalo indicated.

Mr. Speaker, at that time, as I recall, I had more

phone calls regarding that issue than I've ever had since I've taken office for the past two terms. I was pleased at that time that this Legislature and the minister had the guts to bring in rent control, even if it was temporary — and I'm pleased that it was temporary, because I don't think it's valid that we should have it on a permanent basis, because of the experience in other parts of the world where there is permanent rent control. So now we're in the decontrol phase.

To be sure, Mr. Speaker, tenants as a general population are responsible and caring people who have chosen the route of rental accommodation either by choice or because of circumstances. Those circumstances, of course, as all members of the Legislature will understand, could be temporary or permanent. Those circumstances vary, as we all can appreciate, because many are on lower and fixed incomes.

Mr. Speaker, because my riding has such a high percentage of renters — which is a way of life, and I'm sure it's a way of life across this province and this country — this legislation brings about increased importance in its import. I'm pleased that with other members of the Legislature I played a role as a member of the caucus committee in bringing about this legislation, which I feel will improve the situation. Some relative degree of security of tenure for those many, many people out there in rented accommodation, individuals and families, is a very important item.

Mr. Speaker, this is a brief remark. I would hope that, in addition to the changes we've brought about, the new federal government we may have in the very near future will consider the tax implications to investors building new accommodation, and that this will be modified very quickly.

As we know, Mr. Speaker, accommodation is central to living, with food and clothing. The bill deals with one of those three central items that are so fundamental, namely shelter. With changing circumstances such as low vacancy rates of rented accommodation or rapid and at times ridiculous escalation of rents in some accommodation — and I say "ridiculous" because some of the rates of increase have been ridiculous. Others have been justifiable because of the many items some hon. members have mentioned, rising costs of money, services, materials, and so forth. But when you get into the 50 to 100 per cent and even 20 or 30 per cent increases within a year's span, I think tenants are justifiably upset, as many politicians have been, and have a right to take action to bring in rent control, or now rent decontrol.

Mr. Speaker, governments have a responsibility. We have exercised on a temporary basis that responsibility with respect to rent control, and now decontrol, to correct the course, and I hope we have to some degree. We recognize that on a permanent basis rent control, for example, would cause a difficulty and a problem, as has been exemplified in other parts of the world. When I visited London and Stockholm, I had the privilege of experiencing that kind of problem and the difficulties they encounter with permanent rent control. So I'm pleased to see that we're on a decontrol basis.

Mr. Speaker, I oppose government interference. I oppose excessive government control. However, if our society demonstrates a gap or a void — and

periodically it does — that is, if free enterprise, if you wish, or members of our society, whoever they may be, do not satisfy the needs of the citizens as in the case of security of tenure, or where there's not enough accommodation, I think we have a responsibility. This is where governments primarily have the responsibility to fill that gap.

Mr. Speaker, if the government of Alberta doesn't play that role in this particular case, who will? Today we're speaking of security of tenure, but we could have talked about the housing and the accommodation situation in the province of Alberta. We know that housing starts were low. The government of Alberta participated in its way, and for the third straight year we have some 42,000 housing starts in Alberta. My clear understanding is that 25 per cent, or about 10,000, of those housing starts were a direct result of our government programs. The other 30,000 would be a result of private enterprise, which plays such a vital and important role in improving the situation. Here's an example where private enterprise has played its role, but it wasn't sufficient. So government played its role through the Alberta Home Mortgage and the Alberta Housing Corporation, and moved in to assist the lower income group and many other groups to provide housing and rental accommodation, filling a gap again.

Mr. Speaker, this government is not an NDP government. It is not a socialistic government. I suggest that if the hon. member from the NDP were here he would suggest we should go all the way and provide all the housing ourselves and private enterprise would do nothing. In our province, our free-enterprise spirit and our decentralization of our economy have resulted in most of the citizens earning more. Sure, with that decentralization and boom of our economy, costs have gone up. But as the Member for Edmonton Kingsway I ask my constituents if they would prefer work, increased salary as a result of that work, and a boom economy, or social assistance, a lower salary, and a sagging economy. I know they prefer the former and would welcome that. But the relevancy is that with a boom economy we have a lower vacancy rate, and as a result a relative insecurity with respect to residential tenancy.

Another item, Mr. Speaker, is that in spite of the landlord and tenant legislation, we have carried out other programs to assist senior citizens and those on lower and fixed income via the accommodation that I've talked about. Public housing and the accommodation we've brought about in this province is second to none in the whole of Canada. We've brought about social assistance for our senior citizens through health dollars, drugs, and dollars just for general living. This again has helped those on a lower income and senior citizens to find accommodation and pay more appropriately for it. Our salaries are the highest. Disposable income, the dollars we can spend after we earn the money, is the highest in Canada. Again this gives the average citizen, the individual and family that might have difficulty finding accommodation, an opportunity to spend more on accommodation, which he would not be able to do in other parts of Canada.

Mr. Speaker, if we had a socialistic NDP government today, they would suggest we should tax heavily, spend everything, and drag the economy down. I am confident that members of this Legislature and

the citizens of Alberta do not want this. They want a balanced economy, good management, free enterprise, ability to work, and good harmony with government and free enterprise.

I give this background, Mr. Speaker, because it's so important to recognize that here is landlord and tenant legislation where government in effect is interfering with free enterprise and people's lives, be it tenants or landlords. However, as I've indicated before, in spite of that background where the economy is booming and there is good income, I think it's very relevant that we take steps to correct to some degree the situation now of lower vacancy and the fact that people have to move quickly on 30 days' notice as the situation is now.

So here we have legislation, Mr. Speaker, that replies to residential relationships. This bill provides tenants with increased security in that they would have 90 days' notice instead of 30 days' notice. It's interesting to note that early in 1972 we brought in The Individual's Rights Protection Act, which to some degree also provided security with respect to color, sex, ancestry or place of origin, and so forth. That should not be discounted. But with the 90 days' notice provision, I think tenants not only will have an opportunity by time to find new accommodation but will be able to seek out social amenities such as schools, shopping, and work areas before they move.

Mr. Speaker, it's interesting to note that in spite of this legislation where the tenant will have 90 days' notice, the tenant may terminate any time for no reason or any reason. The landlord in fact is left holding the vacant accommodation. The question is: should we bring in legislation which provides absolute security of tenure? There are those who would advocate this. I would find that difficult at this time. The Institute of Law Research and Reform, as some members realize, did not recommend that, because they felt it would indeed interfere with the traditional relationship of ownership by the individual, which may result in a redirection of supply of rental accommodation. More importantly, the basic right of the individual who owns accommodation, be it a high-rise or an apartment building, would be threatened.

Yet I believe the tenant should have as much fundamental right to security as possible, as we have brought in this legislation. But we realize that if a landlord takes the risk, ploughs in the dollars, pays the taxes and upkeep, his investment dollar is always threatened. If the vacancy rate suddenly increases, then all his investment dollars over the years may be eaten up, and he may even have to go on social assistance. Similarly, a home-owner has to pay mortgages, taxes, and upkeep, and he may lose his home if he does not make the payments. But if a tenant does not pay his rent, he'll obviously have to shift to social assistance.

So there is a risk everywhere, Mr. Speaker. The point here is that security is relative. It's never absolute except when government is there to fill the gap. I'm suggesting that the best security is a strong economy, a balanced budget, and first-class programs and jobs which people should have. With that, we have a booming economy and increased production of accommodation, and the problem will not exist.

Mr. Speaker, I'm pleased with the other items that have been mentioned and covered by the minister very well. I'd like to say that the bill strikes a very

good social balance at this time. It considered the factors of low vacancy, which are becoming not so low in recent times, as the hon. minister mentioned today in question period. It clarifies the items that are necessary for tenants and landlords. Those who advocate absolute security in regard to residential tenancy must ask themselves the question: how would they like it if they were told that you must provide this or that service or this or that suite, whenever, to whoever, and for as long as they need it? I'm asking whether anybody would want that imposed on them by government. I can understand on a temporary basis of 90 days' notice, this is a good balance between these two. It's a relative security.

I urge support of the bill, Mr. Speaker. I think it's the proper thing to do at this time. As the months and years go by, more modification to this bill may be required.

Thank you.

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

HON. MEMBERS: Agreed.

MR. HARLE: Thank you, Mr. Speaker. First of all, I'd just like to thank all members of the Assembly who this afternoon have contributed to the debate on what I submit is probably one of the most important pieces of legislation we will pass this session.

I'd like to respond specifically to a number of comments made by some of the hon. members. The Member for Drumheller raised the issue of the five-year lease. I think the answer has to be that obviously a termination should be provided for in a term of a fixed length. The provision of the 90-day notice is one that applies to a periodic tenancy, as opposed to a term of a fixed period. If the parties want to enter into a five-year fixed term and want to be able to terminate it earlier than the expiration of the term, they have to come to their own arrangements as to how that is done. It's usually always provided for in the lease.

On the subject of security deposits, the existing legislation has always provided that conditions to allow deduction from a security deposit must have been agreed to by the parties. So that is a matter of negotiation. If it happens that it's to be applied to arrears of rent payable, that's one thing; if it's to be used for damages, that's another thing. Again that is a matter of the terms of the contract, and it has to be provided. So technically I would say that if it's not provided for, the tenant really has the right to get back the whole deposit. Now obviously there might be a dispute between the two of them that is resolved, and the judge says, well, that deposit can be used to pay damages to one party, to the other side.

With regard to the general question about raising rents in order to keep up taxes and repairs, I think our Rent Decontrol Act adequately provides for that. There isn't a landlord in Alberta who should be out of pocket as a result of the increase in taxes or for

repairs that are actually done. Those can always be passed through, and our Rent Decontrol Act ensures that.

The Member for Bow Valley was concerned about the length of time relating to the introduction of the bill. I would point out — and I'm not trying to ignore the fact that obviously things have moved along very quickly at this session — that the institute's report has been out for some time. Almost all the matters covered in the bill are well covered by the institute, and I really think it's just a matter of getting down and doing some work on the bill. I realize it all takes time. But there's nothing really of a surprise, and the solution to the problem of security of tenure is one that is very easy to understand. I don't think it takes too much discussion. Also, I'd point out that the bill itself would only come into force on proclamation. I can't anticipate its coming in much before April or July. The general thing is — and this responds to the Member for Calgary Buffalo as well — that we will look for and receive comments. There may well be some amendments. I'll gladly receive any submissions, and we can make some amendments in the spring.

I was very pleased to see the official opposition supporting the bill and applauding the 90-day termination provision. This support is certainly noticed by me as the minister sponsoring this legislation. I wish to thank the hon. Member for Bow Valley for the time they obviously must have spent on the legislation and for the comments made.

The only other item I would like to say — and it's got to be said at some stage — is really to thank the Institute of Law Research and Reform for the work they've done. They started in 1974 and came out with their report in 1977. Obviously there has had to be some back-and-forth discussion with the institute since that time. A great deal of assistance was received from the institute. They dealt with a great many matters. I think hon. members will notice that the bill actually contains the vast majority of the recommendations made.

I wish to thank all members who have spoken in support of the bill.

[Motion carried; Bill 34 read a second time]

DR. HORNER: Mr. Speaker, in view of the hour and perhaps the undesirability of entering a new area this afternoon, I'd like to tell members that it's our intention to sit tomorrow evening, at which time the Attorney General will have returned, and deal with the bills he has on the Order Paper and other bills in committee stage, including The Landlord and Tenant Act, 1978.

With that, Mr. Speaker, I move we call it 5:30.

HON. MEMBERS: Agreed.

[At 5:05 p.m., pursuant to Standing Order 5, the House adjourned to Thursday at 2:30 p.m.]

