

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Friday, October 30, 1981 10:00 a.m.

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF BILLS

Bill 81
Alberta Income Tax
Amendment Act, 1981

MR. HYNDMAN: Mr. Speaker, I request leave to introduce a Bill, being the Alberta Income Tax Amendment Act, 1981.

The policy change this Bill implements is to extend the renter assistance credit to those Albertans who own a house or mobile home and have it situated on rented or leased land. The other changes are purely administrative to clarify and simplify the Act and have it automatically adopt, as per the previous Act, changes made by the federal government.

[Leave granted; Bill 81 read a first time]

Bill 245
The Small Business Act

MR. NOTLEY: Mr. Speaker, I request leave to introduce Bill No. 245, The Small Business Act.

Basically, the objective of The Small Business Act is to set out certain procedures with respect to government purchasing on a decentralized basis throughout the province.

[Leave granted; Bill 245 read a first time]

Bill 257
The Rental Property Protection Act

MR. NOTLEY: Mr. Speaker, I request leave to introduce Bill 257, The Rental Property Protection Act.

This Bill would set out certain standards that must be met in terms of condominium conversion. It is modelled on legislation passed by this House several years ago.

[Leave granted; Bill 257 read a first time]

head: TABLING RETURNS AND REPORTS

MR. LEITCH: Mr. Speaker, I would like to table the annual report of the Department of Energy and Natural Resources for the year ended March 31, 1981. I would also like to table the 1980 annual report of the Alberta Petroleum Marketing Commission, which includes the required financial statements, pursuant to the provisions of The Petroleum Marketing Act and The Natural Gas Pricing Agreement Act.

DR. WEBBER: Mr. Speaker, I'd like to table the eighth annual report of the Alberta Educational Communications Corporation, also known as ACCESS.

head: INTRODUCTION OF SPECIAL GUESTS

MR. ZAOZIRNY: Mr. Speaker, it's a distinct pleasure for me this morning to introduce to you and through you to members of the Assembly, a distinguished Albertan. He is a past recipient of the Alberta Achievement Award. As a producer and director of theatrical productions, he has provided entertainment to hundreds of thousands of Albertans. He is probably best known as the producer and director of the annual Calgary Exhibition and Stampede evening grandstand show. I would ask that Mr. Randolph Avery rise in the members gallery and be accorded a cordial welcome by the members of the Assembly.

MR. KING: Mr. Speaker, I would like to introduce to you, and through you to the members of the Assembly, 30 students from Concordia College, who are seated in the members gallery. As all members know, Concordia is one of the prominent institutions in the constituency of Edmonton Highlands. It turns out a prominent product, of whom the students here this morning are an example. With their instructor Mr. Willie, I would ask them to rise to receive the welcome of the Assembly.

head: ORAL QUESTION PERIOD**Oil Sands/Heavy Oil Development**

MR. R. SPEAKER: Mr. Speaker, I'd like to ask a question today of the Minister of Energy and Natural Resources. It's in relation to the announcements of the last few days, but related to the Cold Lake and Alsands plants. I wonder if the minister could indicate whether any decisions have been made or if there has been any progress since our earlier questions regarding this matter.

MR. LEITCH: Mr. Speaker, there has been no change in the situation from what I reported in the House a few days ago. Discussions have been held and are ongoing between officials of the department and representatives of the developers of those two projects. Beyond that, no decisions have been made.

MR. R. SPEAKER: Mr. Speaker, could the minister indicate at this time if for the lack of progress in the matter is basically due to economic reasons, or are there other reasons?

MR. LEITCH: Mr. Speaker, I would only be able to respond on the part of the government. I wouldn't know what might be influencing the decisions of the developers of those two projects. The discussions that have taken place so far have related to the anticipated rate of return, how it is calculated, and the various estimates and forecasts that go into that calculation.

DR. BUCK: Mr. Speaker, a supplementary question. Is the minister in a position to indicate if discussions are going on as to scaling down the portion the provincial government is going to receive from the project to make the project more viable?

MR. LEITCH: No there aren't, Mr. Speaker. I would characterize the discussions that have gone on so far as information exchange. As members will recall, the energy agreement of September 1, 1981, put in place a royalty taxation and pricing regime. In our assessment, that royalty pricing and taxation regime would result in approximately a 20 per cent rate of return for the developers. We feel that is appropriate, as do the developers, bearing in mind the risks involved in those megaprojects. The real issue now is whether that pricing regime, the royalty and taxation regime, turns out that rate of return. The difference in view would be involved in the calculations, forecasts of pricing, and things of that nature.

So really, the discussions that have gone on to date have been information exchange.

DR. BUCK: Mr. Speaker, a supplementary question. Is the minister in a position to indicate if any discussions are going on with any large groups as to developing a project in the Lac la Biche area?

MR. LEITCH: Not comparable to the projects we're talking about. Other discussions are going on about various projects within the province, but not of the size of the Alsands or Cold Lake projects.

DR. BUCK: Mr. Speaker, just to follow up on that point. In the discussions that have been going on, there have been some indications that the plants or megaprojects we are contemplating will not be of the magnitude of Syncrude, but they are looking at smaller plants that they feel may be more efficient. Can the minister indicate what discussions have been going on as to that approach, having smaller rather than larger plants — maybe two of them to do the job of one, or one and a half to do the job of the large ones? What discussion is going on in that area?

MR. LEITCH: Mr. Speaker, there have been a variety of discussions about that, but nothing has developed to the point where it's imminent.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the Minister of Energy and Natural Resources indicate whether at the present time the developers have made any requests to the provincial government and, potentially, has the minister any knowledge of a request to the federal government, for further financial involvement of either level of government?

MR. LEITCH: No, Mr. Speaker.

MR. NOTLEY: A supplementary question. The minister indicated the royalty arrangements that are part of the September 1 energy agreement would return approximately 20 per cent to the developers. That of course assumes certain construction costs. In light of the substantial increases in the projected construction costs of both projects over the last several years and the precedent set by this government in the Syncrude project in 1974-75 when the Loram report was commissioned to assess the construction costs, has there been any independent evaluation of the projected construction costs of both these projects, so the government has that kind of information in determining whether or not the royalty rate is necessary to yield that 20 per cent return?

MR. LEITCH: Mr. Speaker, I'm not sure I caught all of the member's question, because I couldn't hear a number of words, particularly in the earlier part. But I'm interpreting it as asking whether we have an independent assessment of the costs of building these two projects. The answer to that is no. Mr. Speaker, a detailed independent assessment of the costs of building those projects would be a very large and expensive task.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister indicated that the rate of return would be 20 per cent. That obviously has to be based on the assumption of certain construction costs. We had the precedent in '74-75 of an independent study on the Syncrude project commissioned and paid for by this government. Very specifically, my question to the minister is: the 20 per cent rate of return which the minister has set out as a target and the royalty rates that are part of the agreement of September 1 are based on the predicted construction costs of the developers, without any independent assessment by either the federal or provincial government?

MR. LEITCH: Mr. Speaker, I wouldn't say without any independent assessment. Obviously, I think we have to make a judgment as to whether the cost estimate is reasonable. But I should point out to the hon. member that the whole forecast of an anticipated rate of return is based on a number of unknowns. The actual cost of construction will be one of those because, clearly, when there's an estimate of the cost of building a facility that takes a number of years to build, there's bound to be a margin of error in that estimate.

The other factor that has a significant bearing on the rate of return is the estimated price for the output of the plant. Mr. Speaker, that is a much more uncertain element in this calculation, because it extends over a 30-year or more time frame. So the whole matter of estimating a rate of return involves estimating things that are a number of years down the road, and there's bound to be some error in that.

But certainly we would make an assessment as to whether the anticipated costs are reasonable. It's a question of what kind of assessment. If the hon. member's question was whether we had hired independent people to do all the engineering work and so on that has been done, or to check it in a thorough and complete way. I wouldn't see that being done, because I think that's a very major and expensive task. Certainly we would do the work and make some assessments to form a judgment on the reasonableness of the cost estimate.

MR. NOTLEY: Mr. Speaker, a supplementary question. I would remind the minister that in fact this government did exactly that in 1974-75. Just so there's no misunderstanding, in determining the provincial royalty arrangements as well as the federal tax questions in the September 1 agreement, neither the federal government nor the provincial government did anything in the way of commissioning an independent study of the costs of constructing either of the projects? My question is: in light of the increase and bearing in mind the Syncrude precedent, is there now any consideration of the wisdom of that course of action, in view of the facts that royalty arrangements over a period of time can be worth billions of dollars and that the millions spent in a proper study would be a prudent short-term investment?

MR. LEITCH: Well, Mr. Speaker, the difference between the hon. member and I may be our perception of what was done in connection with the Syncrude project a number of years ago. As I followed his first question, it involved: are you doing, on an independent basis, the kind of analysis or engineering study that has been done by the developers in order to arrive at the cost estimate? We aren't, but we may well do something comparable to what was done in Syncrude, not back in the '74-75 period. As I recall, that was not a complete cost analysis by an independent firm, in the sense of going through all the engineering and all the alternatives that might be followed during the course of construction. So I think we're really talking about two different things.

MR. SPEAKER: Final supplementary by the hon. Member for Spirit River-Fairview, followed by a supplementary by the hon. Member for Edmonton Mill Woods, then a totally final supplementary by the hon. Member for Clover Bar.

MR. NOTLEY: Mr. Speaker, I don't wish to argue with the minister, but the Loram report was commissioned when the costs of the Syncrude project rose from about \$1 billion to ...

MR. SPEAKER: Order please. Thus far the hon. member's questions on this topic have been replete with a great deal of information-giving rather than information-seeking.

DR. BUCK: He needs it.

MR. SPEAKER: Perhaps we could get down to the information-seeking now.

MR. NOTLEY: Mr. Speaker, the question very directly, because there is a difference of opinion between the minister and me on the Loram report of 1974-75 ...

MR. SPEAKER: That might be dealt with by a motion on the Order Paper.

MR. NOTLEY: Mr. Speaker, the question to the minister is: at this stage, have there been any discussions at all with the federal officials as well as the provincial officials in terms of assessing the increase in the costs of both projects, which have been very, very dramatic? Is the government satisfied that those increases are reasonable?

MR. LEITCH: Mr. Speaker, we have not yet reached the final decision-making stage with respect to these projects. Certainly before the final decisions are made, we will have to be satisfied that we've made an assessment as to the validity of the costs, and we would certainly be doing that.

MR. PAHL: Mr. Speaker, my supplementary to the minister requests clarification on whether, within the Syncrude arrangement, the final revenue-sharing by the province in terms of both royalty and equity participation would be based on actual capital costs and actual operating costs. In addition, I wonder whether the minister could indicate whether the starting position would be that our final analysis would be based on actual costs in terms of both the costs of construction and operating in future oil sands plants, rather than what was projected.

MR. LEITCH: Mr. Speaker, I'm not exactly sure of the point being raised by the hon. member. But certainly in the case of Syncrude, because we have a profit-sharing royalty arrangement, that is affected by the actual construction costs and the actual operating costs. We contemplate a comparable system with respect to the Alsands and Cold Lake projects, so the return to the province by way of royalty would be governed by the actual construction costs and the actual operating costs.

DR. BUCK: Mr. Speaker, can either the Minister of Labour or the Minister of Advanced Education and Manpower indicate what discussions have been going on with Alsands or Esso Resources as to programs that will guarantee that the native people in the areas will be getting in on part of the action? What retraining programs or guarantee will there be for the native people that they will be able to participate, laborwise and in every other wise, in the projects we're talking about?

MR. YOUNG: Mr. Speaker, to respond to part of the question, I should advise the hon. member that there is a policy of government. I believe to be well known but, in any event, I could restate it. In a situation where an undertaking of economic significance would disrupt the normal commercial patterns in the area, the normal forms of livelihood, then there is a special responsibility and expectation of that developer to assist and give a first priority, in that assistance, to the residents of that area, regardless of their nationality, racial origins, color, or any other characteristic of that nature.

MR. HORSMAN: Perhaps I can supplement the [answer], Mr. Speaker, by indicating that there have been discussions with the major parties, with respect to the type of training programs that will be offered in the particular regions. Hon. members will be aware of the very major expansion taking place in the colleges system, particularly in northern Alberta, Keyano College. Likewise, we expect a major expansion of the Lakeland College system, on a regional basis, which will help provide the training capability in the regions and which will make it much easier for people of the entire region — not just natives but people who live in the regions — to obtain their educational upgrading in that area.

I've been quite pleased with the indication of co-operation we expect to receive from the various companies involved in the apprenticeship programs, which we expect will be expanded in a major way. Then, of course, the institutional training will provide academic upgrading, pre-employment training, and that is a very important aspect.

I should point out as well that through my department, we have retained the assistance of a number of counselors to work directly with native bands and Metis colonies in the region. I think that should be a very major assist as well, to let the population there know what is really going to be available by way of training programs.

MR. WEISS: A supplementary, if I may, Mr. Speaker. Can the hon. Minister of Advanced Education and Manpower advise if those programs will be restricted to the two areas as designated, or will they be expanded to other areas such as Fort Chipewyan?

MR. HORSMAN: Whether or not the programs will be expanded to those particular communities will be a decision largely taken by the boards of governors of the

various institutions. From discussions with the board of governors at Keyano, I understand they are indeed looking at expanding into that particular community. That's one reason we have boards of governors — to make decisions on the scene, rather than have the decisions made here in Edmonton.

Social Care Facilities Review Committee

MR. R. SPEAKER: Mr. Speaker, I'd like to direct my second question to the Minister of Social Services and Community Health. It's related to questions I asked two days ago with regard to the Social Care Facilities Review Committee. As I review some of the investigations or visits made by the review committee, I note one of the purposes: investigation. I wonder if the minister could indicate or support that point of view, that the primary purpose of the committee is investigation of the various facilities across the province.

MR. BOGLE: Mr. Speaker, the terms of reference of the committee are very clearly spelled out in the legislation passed in this Assembly in the spring of 1980. As I've indicated, the committee members have been appointed representing a wide background of individuals from urban and rural Alberta, from the north and the south. Clearly, one of the primary areas of responsibility, as set out in that legislation, is to review and investigate facilities either operated by the Department of Social Services and Community Health or funded, totally or in part, by that department. Over 900 facilities come under that category.

Several days ago, I gave information to the Assembly as to the number of visits which have taken place. I can update that. As of October 30, 1981, a total of 523 of those facilities have been visited.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister, relative to these numbers, the 523 visits. In terms of the numbers of days the committee has been in place, this would mean the committee has only time to spend a half-day or one day in an institution. I wonder what terms of reference are given to the committee in terms of full investigation, when they have only one day or part of a day to investigate.

MR. BOGLE: Mr. Speaker, I might give some information as to the background of the committee members which would be helpful in responding more directly to that question, if I may. First of all, all the committee members are parents. Some are parents of handicapped children. In addition, we have one former health inspector, who worked with a health unit. We have one former psychiatric nurse from some years past, and a colleague of ours in this Assembly. We have a variety of talents on the committee itself.

In terms of its selection of facilities to visit, the committee responds in a number of ways. It may be by the committee's own initiation, and most facilities are visited under that category. It may be at the request of the minister, and that would be as a direct result of any complaint or concerns expressed about a particular facility. I might mention that a total of 45 such concerns or complaints have been registered since July 1980. In those cases, of course, the committee did respond by investigating. It could also be by a concern expressed to the committee through some other channel.

Mr. Speaker, I might also mention that when a visit is

made, it's not by the entire 12-member committee; it's by a group of committee members, usually two, sometimes three, members. So the amount of time spent in the facility depends on a number of factors: the reason for the visit, the size of the facility, and other factors which the committee members may feel are important. Of course, if committee members feel, upon their visit, that other factors should be brought into consideration and that that will take a more lengthy visit, then nothing is stopping the committee from going back at some other point in time, either later that day, on another day, or on other days during the week.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. There has been a lot of criticism with regard to the lack of skills and the ability of this committee to do good, in-depth investigation. In terms of those criticisms, has the minister looked at changing the rules and regulations? Has the minister met with the committee to discuss techniques and methods by which better investigation can be done?

MR. BOGLE: Mr. Speaker, I believe the key criteria of the committee members are certainly being met in the best possible way, in that they are interested citizens and are all parents, a number of whom have family members — in one case, a mother of a youngster who is in Michener Centre. These members bring other skills and expertise to the committee. I'm very satisfied with the work they've done, and are doing, for the people of this province.

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

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. I was going to ask a question with regard to the involvement of the Ombudsman.

But if there's only one question left, I'd like to ask another question with regard to this committee's potential investigation of the matter in southern Alberta, relative to the child of the Head family. Does the minister intend to involve this committee in that type of work and, if this committee is not to be used, could the minister indicate that all other care and attention has been given to this case, so that matters such as this do not occur again?

MR. BOGLE: Mr. Speaker, if the hon. member would check the terms of reference of the committee as stated in the legislation, the primary purpose is of course to look at facilities operated by or funded in part or totally by the department, not to look at specific kinds of cases relating to an individual and the department. Therefore, the particular case the hon. member has referred to would not be appropriate.

Constitution

MRS. EMBURY: Mr. Speaker, my question is to the Minister of Federal and Intergovernmental Affairs. In view of next week's meetings of first ministers on the constitution and the recent meetings the minister attended in the east regarding the constitution, has Alberta changed its position regarding the constitution issues?

MR. JOHNSTON: Mr. Speaker, we have not changed the very fundamental principles this Legislature has debated on many occasions and which were reflected in our

position at this point. Essentially, they are that we will not accept any change in the constitution which would intrude in our jurisdiction and, secondly, we would like to see some change in the process itself, a movement away from the unilateral method employed to date on the constitution question.

MRS. EMBURY: A supplementary question, Mr. Speaker. At the recent meetings the minister attended, could the Assembly be informed if Ontario, Saskatchewan, and British Columbia have given any indication that there will be a change in their position?

MR. JOHNSTON: Mr. Speaker, it's always difficult to predict how provinces will change, and certainly I can't speak for any other province. I can perhaps give a summary. Those provinces that signed the accord on April 16, 1981, are now firmly together on their position. They will argue that patriation and the amending formula agreed to by those eight provinces should be the first step in any constitutional package. I cannot say what the province of Ontario will do. Obviously, their position has been historically different from the province of Alberta and from the eight majority provinces. They will probably attempt to provide some other amending formula, in terms of a constitutional resolution. But it is very difficult for me to predict how these provinces will work. I can add, however, that I asked the ministers from Saskatchewan and B.C. if any separate position was to be put forward by the three provinces, and they said no position would be put forward by them.

MRS. EMBURY: A supplementary question, Mr. Speaker. Will these important meetings of the first ministers on the constitution be closed or open meetings?

MR. JOHNSTON: Mr. Speaker, the meeting among the eight provinces which I just attended was to establish a format. I can confirm now that the meeting of the first ministers will take place on November 2 in Ottawa at the conference centre. There will be opening statements by the first minister and the Prime Minister, probably of 10 to 15 minutes' duration, then the first ministers will move into a closed session to complete their discussions. Finally, they will come back to an open, televised session to provide concluding statements on behalf of the provinces.

Child Welfare

MR. NOTLEY: Mr. Speaker, I'd like to address this question to the hon. Minister of Social Services and Community Health. It concerns the question of the child care issue. What guidelines has the department set out with respect to notification of the police, particularly the RCMP, when a suspected child abuser cannot be found? Are guidelines in place? If there are, when were they given, and is the minister prepared to table them?

MR. BOGLE: Mr. Speaker, the procedure followed in the department was refined early in July this year, following an incident in the Drayton Valley area, where departmental officials had been trying to seek out parents and were unable to find them. After that time, the procedure to be followed was that the police were to be notified if in fact it was felt that a child may be in some danger, relative to past involvement of one or both parents or some other party very close to the family. Therefore, if we're working in a jurisdiction where there is

a local police force, the contact would be made with that body; if we're working in a jurisdiction where the RCMP would act as the local police, the RCMP would be contacted.

MR. NOTLEY: A supplementary question. The minister is recorded as saying yesterday that there would be a change in departmental procedures. Is an assessment now under way as a result of this recent tragedy? For example, is a policy being considered that the automatic reporting would be to the RCMP, as opposed to the local police force?

MR. BOGLE: Mr. Speaker, the short answer to that question is yes. I believe some explanation is needed because in the most recent very tragic death the hon. member has alluded to, there was a very close working relationship between the social worker and the grandmother. On September 14, when the grandmother notified the social worker that the daughter and granddaughter were missing, it was agreed that the grandmother would notify the police, because she could give not only an accurate description of her daughter and granddaughter but could also describe the kinds of clothes the daughter was wearing.

I am concerned about the events between September 14 and September 18, when all district offices for the Department of Social Services and Community Health were notified by telex to be aware of the disappearance of the mother and child, as to what happened during that period of time.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. What assessment has the minister made of problems within the department, particularly with respect to the problems with Mr. Melsness as director of child welfare and, in particular, the minister's letter of August 27 indicating that as of November 30, I believe, Mr. Melsness would no longer be working for the department? Has there been any assessment of the impact of this letter on potential confusion within the department and the absence of clear-cut guidelines?

MR. BOGLE: Mr. Speaker, either the hon. member is reading from a letter of his own fabrication or he needs glasses. The letter sent to the director of child welfare on August 27 did not originate in my office; it originated in the office of the director of personnel.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The issue is not whether it came from the director of personnel or from the minister. The issue is that the letter is saying that as of November 30, Mr. Melsness is no longer employed. The question I put very directly to the minister is: has the uncertainty of the employment of the director been assessed in terms of the adequacy of the guidelines?

MR. SPEAKER: Order please. I had great misgivings when this question was asked in the first place. It seems to me that under the guise of a supplementary, it was really a second question. I would suggest that we come back to this quite unrelated topic if there is time at the end of the question period.

MR. NOTLEY: On a point of order. With great respect, the question is directly related. The question is whether or not adequate guidelines were in place. If there is any

uncertainty about the departmental personnel, in particular the director of child welfare, that has a very direct bearing on whether those guidelines were adequate.

My question to the minister was whether there has been any assessment of the uncertainty that has existed in the department for the last few months on the adequacy of guidelines. The minister indicated that they were put in place in July. He now tells us they are being reviewed, and properly so. But as a result of that review, has there been any assessment of the uncertainty?

MR. SPEAKER: With great respect to the hon. member, it is difficult, to the point of impossibility, to see the logic in the connection between a letter relating to the termination of a departmental employee and the guidelines of the nature we were discussing previously. I have to acknowledge, perhaps, that there is a certain amount of ingenuity in making the connection, but I can't see any merit in it. I must ask that if the hon. member wishes to ask that question, it be done in the event there is time left today or in another question period.

Alberta Assured Income Plan

MR. GOGO: Mr. Speaker, I have a question to either the Minister of Social Services and Community Health or the Provincial Treasurer regarding the Alberta assured income plan, which is paid to Albertans on a needs basis. Could either minister advise the Assembly if there has been a problem with the mailing of this month's cheques to these people in the province?

MR. BOGLE: Mr. Speaker, Albertans who receive benefits under the Alberta assured income plan normally have their cheques processed and mailed out on or about the 23rd of the month. This month, due to the department receiving the necessary information from Ottawa late, those cheques were not processed and mailed out until yesterday, the 29th.

Mr. Speaker, I want to mention that officials from both the Treasury Department and the Department of Social Services and Community Health put this matter on a priority basis and worked, with the co-operation of the Canadian post office, to ensure that these cheques were in fact dealt with in the most expedient way possible, given the fact that we did receive the information late. I further advise that the cheques should be received starting today, and that all the cheques should be received no later than Tuesday, November 3.

MR. GOGO: Mr. Speaker, a supplementary question to the Provincial Treasurer. Based on what the Minister of Social Services and Community Health has said, it would appear that this is based on information received from Ottawa on a monthly basis. Has the government considered any alternative to the present system of utilizing monthly information from Ottawa on which to base the Alberta assured income plan benefits?

MR. HYNDMAN: Mr. Speaker, I don't believe that's a practical alternative, because the Alberta assured income program piggybacks on the old age supplement from Ottawa. Therefore, every month it is necessary to secure from Ottawa the computer tapes with the information that enables us to send out the cheques on the Alberta assured income program. So that has been explored, but there isn't a practical alternative.

MR. GOGO: A final supplementary, Mr. Speaker. Inasmuch as many of the recipients of these benefits are in either self-contained housing or large programs in the province, has the Minister of Housing and Public Works had any complaints, from either the residents or the administration of those facilities, that their cheques are arriving late?

MR. CHAMBERS: None that I'm aware of, Mr. Speaker.

Crown Leases

MR. MANDEVILLE: Mr. Speaker, my question to the hon. Minister of Agriculture regards the concern leaseholders on Crown land have with public access to Crown grazing leases. What consideration has the minister given to the requests that the public be given access to Crown grazing leases, to trespass?

MR. SCHMIDT: Mr. Speaker, I would defer the question to the Associate Minister of Public Lands and Wildlife.

MR. MILLER: Mr. Speaker, I thought I answered that question a few days ago. If the hon. member wishes some further information, I would be pleased to elaborate on that. [interjections]

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Some ranchers are very concerned that there's no legislation. I agree that there is some suggestion that you can go onto the lands on foot, but there are no regulations. Is the minister intending to bring in any regulations to the effect that trespassers can go in only on foot?

MR. MILLER: Mr. Speaker, as I pointed out the other day, we have the wildlife advisory committee, which has representatives from not only the various agricultural interest groups but fish and wildlife groups, Metis people, and the Indian Association. They have sat down and tried to come up with some way to resolve this problem. The member is probably aware that there is conflict in legislation at the present time, between The Petty Trespass Act, The Wildlife Act, as well as the Criminal Code of Canada. We were attempting to have a co-operative and educational approach, rather than legislation, to try to resolve this problem. We are of the opinion that we should utilize our Crown lands to the best for all Albertans. We have the concern the ranchers have, as well as other people in society who wish to make use of the Crown lands.

Home Conversion Program

MR. MUSGREAVE: Mr. Speaker, I'd like to ask a question of the Minister of Housing and Public Works regarding the home conversion program, which is designed to make better use of existing housing stock. Could the minister advise the amount of the interest subsidy available to the homeowners and whether or not the program qualifies for the municipal incentive grant for new housing units, paid direct to the cities?

MR. CHAMBERS: Mr. Speaker, the subsidy is 5 per cent; in other words, if the person wishing to convert a unit goes to his lending institution and makes the loan.

the department pays a subsidy of 5 per cent. For example, if his loan today were at 20 per cent, then the net cost to him in terms of interest would be 15 per cent.

As regards the second question, yes, the municipal incentive grant counts as any other unit, which should be motivational for the municipality to encourage the conversion of such units.

MR. MUSGREAVE: A supplementary, Mr. Speaker. Could the minister advise how many units have been completed under this program?

MR. CHAMBERS: I would certainly be happy to provide that information, Mr. Speaker. I can say there haven't been very many, and I regret that. I thought the program would go much better than it has. Apparently, the reason is that there is resistance from municipalities to basement suites — not just basement suites but any sort of suite or light housekeeping room conversion. I think this is regrettable, because this has a couple of significant advantages. First, of course, it enables another housing unit to come onto the market, at a time we need housing units. Secondly, it allows a homeowner to help defray the cost of his mortgage.

So I really hope that municipalities across this province change their attitudes toward suite conversion and get on with the job.

MR. MUSGREAVE: Mr. Speaker, I'd like to ask a supplementary of the Minister of Labour. Is he aware that some municipalities are concerned that this program is not as successful as it might be because, they imply, there are certain restrictions in the Alberta Building Code that prevent the conversion of existing houses into these particular kinds of units?

MR. YOUNG: Mr. Speaker, I can advise the hon. member that no municipality, no other representative of any group, and no individual, to the best of my recollection, has ever made any representation to me that there is a problem in respect of the Alberta Building Code, in terms of its prohibiting conversions of the nature under discussion. I would further advise the Assembly that in the event that an identifiable specific could be brought forward, I would be most pleased to have it taken to the Alberta Building Standards Council, which reviews such matters and tries to come up with practical ways to solve any of those kinds of problems. But to this point, I have no knowledge of any such problem.

Suspended Driver Licences

DR. BUCK: Mr. Speaker, my question to the hon. Solicitor General is a follow-up on the question of suspended drivers. In light of the fact that the number of suspensions went up from 31,000 to 41,600 in a nine-month period, can the minister assure the Assembly that he is going to step up his enforcement program?

MR. HARLE: Mr. Speaker, I thought the figures spoke for themselves. There has been a tremendous increase in the enforcement of the suspended driver provisions in this province.

DR. BUCK: Mr. Speaker, can the minister indicate to the Assembly and the people of this province what program is in place to make sure that when a driving licence is suspended, that licence is retrieved.

MR. HARLE: Mr. Speaker, it depends on the type of suspension. The legislation provides that in making a conviction that gives rise to a suspension, the judge must obtain the driver's licence and turn it over to the department. We probably get back about 68 per cent of driving licences from the court system in that type of situation. I suppose the reason we don't get back the rest is that there is some reason for the individual who has been convicted not having his licence with him at the time. Where that is the case, we follow up by asking the police to pick up the licence. Of course, we recover a fair number of licences, or the police have found that they can't locate the individual.

With regard to the demerit suspensions, a rather similar process is used. If the demerit is for three months or longer, exactly the same procedure is used: the police are asked to retrieve the licence. With regard to a demerit count that results in a suspension of one month, we do not send out the police. We get back about 20 per cent of those licences, where the individual returns it.

I might say that in all cases, the department sends out a letter to the suspended driver asking for the return of the licence, and I've described the follow-up. The Motor Vehicle Administration Act provides that it is an offence to have a suspended licence in one's possession. It is also an offence not to return the licence when a request has been made for its return. Also, there are offences in the Act providing for the use and production of a licence that has been suspended.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister, with regard to altering the present program. As I understand it, only about 20 per cent of the licences are returned when they are suspended for one month. Has the minister considered that rather than being sent into the central department in Edmonton, the licence be deposited with a regional government facility, such as a treasury branch or local RCMP office? One concern people have is that by the time the mail gets to Edmonton, the department opens the letter, finds what's in it, files it, then takes it out of the file, it's five to six weeks or even two or three months later when the person can get it back. We have examples of that on our side of the Legislature. Has the minister considered . . . [laughter] My humble apologies to my colleague. He does such a great job of representing his constituents. It was one of his constituents.

My question to the minister is: has the minister considered changing the bureaucratic steps now in place?

MR. HARLE: Mr. Speaker, I'd be interested in making any changes that make the system work better. I think we have to rely on the mailing system, and undoubtedly a lot of people — and I think validly so — are concerned about the loss of licences in the mail and all the problems of delay in the mail system. I'm sympathetic to that particular problem. However, in order to have the system work, to deliver licences around, and various people around the province holding these things, I think leads to a lot of problems — they equally can lose them — and presents additional problems. So I'd be quite happy to consider whatever improvements we can make to the system.

DR. BUCK: Mr. Speaker . . .

MR. SPEAKER: Order please. We have exceeded the time for the question period. In my incurable optimism

concerning the brevity of forthcoming questions and answers, I recognized the hon. Member for Edmonton Mill Woods. With the indulgence of the Assembly, perhaps he might be permitted to ask his question.

HON. MEMBERS: Agreed.

Human Tissue Programs

MR. PAHL: Thank you, Mr. Speaker, for your optimism as well. My question is to the Minister of Hospitals and Medical Care, the Solicitor General, or the Attorney General. It relates to the fact that the House unanimously passed a motion by the hon. Member for Calgary McCall, urging the government to establish a task force to study the need for human tissue for therapeutic purposes, medical research, and scientific research. I wonder if any of these gentlemen have had the opportunity to put their minds to this request and have any progress to report to the House?

MR. RUSSELL: Mr. Speaker, the matter is already under way in a variety of fields. A new headquarters for the blood transfusion service for the Red Cross here in Edmonton, which would be built by the provincial government, is under consideration. We're now considering a request a tissue bank to add to that building, which deals with the subject of the resolution the member referred to.

As the member is aware, there are also a variety of programs sponsored by voluntary associations, dealing with the validation of a driver's licence, so corneal transplants can take place or the donation of vital organs in cases of accidents. Those things are now under way on a voluntary basis. We've been supporting, in a financial way, the HOPE program and have given support to that on an interprovincial basis as well. So I think the thrust of the resolution passed by the Legislature is in line with the overall objective of trying to make better use of transplanted organs and tissue.

MR. PAHL: A brief supplementary to the minister, if I may, Mr. Speaker. Although the program has been initiated, there are indications that it could perhaps stand the sort of attention a task force would apply to it. When considering the motion, I wonder if the hon. minister and his colleagues might consider including citizens at large with special expertise or interest in the issue of both human tissue and the co-ordination of the corneal transplants and other organs that appear to have some collection problems.

MR. RUSSELL: Mr. Speaker, very recently I wrote one of the organizations that had requested the establishment of such a task force, expressing in my letter that I didn't think it was needed and that I'd like to see the voluntary associations pursue the matter. Notwithstanding that, I don't have any problem with the resolution passed by this Assembly. Hopefully, the two thrusts can be melded and made to work together.

ORDERS OF THE DAY

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 59 Alberta Insurance Amendment Act, 1981

MR. KOZIAK: Mr. Speaker, it's my pleasure this morning to move second reading of Bill 59, the Alberta Insurance Amendment Act, 1981.

In making this motion, I would like to speak to a number of significant amendments. I would begin by dealing first with the increase in the maximum weekly benefits under the no-fault provisions of automobile insurance policies. As hon. members are aware, there are provisions in the policy — commonly known as Section B, I believe — which provide for no-fault payments under circumstances where a person is injured and is unable to go about the business of earning his normal livelihood. The present legislation and policy provide for benefits under those circumstances to a maximum of \$105 a week.

Some time ago in this Assembly, I tabled the annual report of the Alberta Automobile Insurance Board. In its report, the board recommended that we increase this amount from the existing \$105 to, at that time, \$140. Since the elapse of some number of months — as a matter of fact, over a year — since that report, it was my feeling that we should move this in line with other provinces and move from \$105 to \$150. I hope hon. members in this Assembly will support that rather substantial increase, even though there will be the accompanied small premium increases. It is expected these may be in the vicinity of \$2 to \$3 per policy, as estimated by the Insurance Bureau of Canada. However, we won't know for sure until such time as the various automobile insurance companies in the province take this into account in their insurance policies and apply for approval of their rates before the Automobile Insurance Board here in Alberta.

Mr. Speaker, it's intended that this be effective June 1, 1982. This will permit the necessary adjustments in policies, as I've suggested would be necessary in terms of premiums and otherwise.

Another amendment I would like to speak to also deals with automobile insurance. That is with respect to the provisions of the policy that insures towing a vehicle, a trailer — something of that nature. The Insurance Act is presently in conflict with the insurance policy which provides coverage, as one would suspect, under these circumstances. The insurance policy was changed fairly recently to limit certain anomalies. However, the Act exists in a form which is incompatible with the policy and continues to maintain the anomaly. The anomaly was that an insured who pulled a trailer that was rented or not his own would be covered for liability, but the insured who pulled his own trailer would not benefit from such liability insurance coverage unless that trailer were actually endorsed in the policy. That has caused a number of difficulties, Mr. Speaker, as one would imagine. We want to eliminate that anomaly to make sure that insofar as liability is concerned, the insured has coverage whether he is pulling his own trailer or a rented trailer.

In the area of the responsibility of the province to ensure the financial viability of insurance companies that operate in the province, we are making certain amend-

merits that define the minimum asset tests of insurance companies, to ensure they are financially viable. In 1975, I believe, we amended The Insurance Act to provide a minimum asset test, which we felt at that time, and continue to feel, is strong enough to ensure the viability of insurance companies in this province.

That amendment was never proclaimed, Mr. Speaker, because of certain difficulties. Since that time, there has been a different minimum asset test which has been applicable to federal insurance companies and other provincial insurance companies. We find that the adoption of the federal minimum asset tests to our insurance companies would not in any way affect their financial viability and, at the same time, would eliminate the possibility that our local companies would be at a competitive disadvantage when dealing in the market place, competing with other insurance companies that would be subject to a different minimum asset test.

That minimum asset test is basically that the insurer is required to have assets equal to 115 per cent of the unearned premium, plus claims incurred but unpaid. In addition, the insurer must have assets equal to 100 per cent of the other liabilities of the insured. With that minimum asset test in the Act, we feel that automobile insurance and other insurance companies that operate in the province will continue to be financially viable and strong, and will not be at a competitive disadvantage when dealing in the market place for insurance premiums with other insurance companies that are federally or extra-provincially incorporated.

A decision in *Scott* against the Manufacturers Life Insurance Company in 1974, and a subsequent decision in *Re Beck* in 1976, affirmed by the court of appeal, I believe, in Manitoba, brought into question the concept of whether or not certain life annuities were entitled to the protection of The Life Insurance Act. Hon. members will be aware that under certain circumstances, life insurance policies, life annuities, are not subject to the claims of creditors in the event of fiscal problems. We've always understood that we could provide for the future for ourselves, our spouses, our children, and know that regardless of what hard times might lie ahead, whatever we put aside in that fashion would not be subject to the claims of creditors, unless what was done was a fraudulent preference. Assuming that one purchased an annuity, a policy of insurance, in good faith for this purpose, one would rest with the assurance that that policy, that annuity, was available to provide for the event one wanted to ensure against or provide for the annuity payment that one wanted to provide for himself, his spouse, or his family.

As a result of the decisions in those two cases, that concept was questioned when it came to life annuities. Mr. Speaker, the proposed amendment to the Insurance Act would make it abundantly clear that for the purposes of the Act, life annuities are in fact life insurance and are entitled to all the protections afforded by the Act to those who purchase those annuities. In doing so, we recognize that other provinces have also wanted to do exactly that, to protect those persons who had dealt in good faith in the purchase of these annuities, and have made similar amendments to ensure that that is abundantly clear in their legislation.

In terms of accident/sickness policies, Mr. Speaker, we've also provided for an amendment that deals with the loss, injury, or damage to natural teeth. There is some suggestion that as it presently reads, the law would not permit coverage where an accident occurred during the

term of the policy, but the discovery of damage to natural teeth was not made until after the expiry of the policy or the elimination of the event under which the insured was covered. For example, if the insured was part of a group that was insured by this policy, terminated his employment and, as a result, lost the rights to claim under the policy, but while covered by that policy was involved in some sort of accident covered by the policy, in which there was damage to the natural teeth that wasn't discerned at the time of the event but after coverage expired, we would ensure that under those circumstances the insured would be entitled to recover for that damage.

Mr. Speaker, those are a number of significant amendments in this Act. However, judging from the reaction I've received in terms of correspondence, telephone calls, and inquiries, the most significant one is the one I want to address now. That is the amendment which, in Section 5 of the Bill, would eliminate Statutory Condition 2, dealing with impaired driving. The concept that presently exists in our insurance law is that when I purchase a policy of insurance, that policy has a number of statutory conditions under which the insurer, the insurance company, can deny its responsibility to me as an insured. One of those conditions is that I as an insured will not drive or operate the automobile while under the influence of intoxicating liquor or drugs to such an extent as to be, for the time being, incapable of the proper control of the automobile. That same statutory condition, that same prohibition, applies in terms of my dealing with others: I as an insured will not permit others under those circumstances to operate my insured vehicle. So that is a present statutory condition.

The effect of that statutory condition, read in conjunction with the remaining law in the Insurance Act, is that where an accident occurs in which the insured is in breach of that statutory condition and does damage, whether to another person's property or to another person's person, the insurance company, the insurer, is responsible to that third party but, having made a payment to that third party, can recover the full extent of that payment from me, the person who has been insured. Now it isn't as simple as that, because there are certain difficulties. What happens under those circumstances is that the insurance company, even though there is no question of liability — their own insured, under the influence of alcohol, was fully guilty of causing the accident; there was no contributory negligence on the part of the injured person — will not pay the recognized claim of the innocent third party without getting a non-waiver agreement signed by its own insured. That non-waiver agreement is to the effect that the insurance company can pay the claim of the innocent third party, then come back against the insured for whatever it paid out.

Now, as you can appreciate, very few people will willingly sign a non-waiver agreement. So under those circumstances, because of the refusal of the insured to sign a non-waiver agreement, the innocent third party must go through the process of hiring a lawyer, suing the insured, going to court, and getting judgment. At that point, the insurance company will pay the claim of the innocent third party. Instead of the claim being adjusted and paid at the adjuster level, we have this process which may take a number of years and which, for that period of time, delays the receipt of the entitlement of the innocent third party. We find that with this statutory condition, we are in effect penalizing the innocent third party. So we want to move away from that and improve the ability of the innocent third party to recover the agreed-upon amount

due that innocent third party, arising from an accident under these circumstances.

Having paid this out, whether as a result of a non-waiver agreement or pursuant to such a judgment, under the provisions of our law the insurance company is fully entitled to go after its own insured for whatever it has paid out. That amount may be \$1,000 or \$2,000, or it may be \$100,000 or \$1 million. Some of the judgments nowadays are in those figures. You would have the situation of an individual who has once made a mistake, has been responsible throughout his life in all other respects — provided for his family, dependants, and children a house, a good standard of living, and a good education — as a result of this one error . . . He may have been found guilty in court. He may have been sentenced in court. But in addition, a further sentence can be imposed that can go to the limits of the policy that insured had, if it were \$1 million, when combined with the amount the insurer had to pay out under the circumstances. That may mean that subject to the exemptions allowable under The Exemptions Act, which aren't that substantial, the insured may lose his home, any assets he may have, and his ability to respond to the needs of the family. Who suffers? The innocent family of the insured. We want to correct that.

It's not the individual who has been irresponsible all his life, has accumulated nothing, and goes out and get drunk every week who is going to be assisted by this or who is hurt by the present law. It's the responsible individual. I've explained this, Mr. Speaker, and people still respond to me with concern, saying, aren't you going to make it easier on the drunk driver? Look at the carnage taking place on our roads. Look at the daily statistics in the Edmonton papers about the growing loss of life on Edmonton city streets. Add to that the loss of life on other highways in the province of Alberta. By proposing this amendment, aren't you encouraging further carnage on our streets?

Mr. Speaker, my response to that lies in what we will do concurrently in another section of the policy of insurance, Section C, dealing with the right of the insured to recover from his own insurance company for his own damages; for example, the collision section of the policy which entitles the insured to recover for damages to his motor vehicle. Under that section of the policy, we will prevent the insured from recovering his own damages, if he is in breach of the policy. With the price of motor vehicles today, that can be a fairly hefty penalty. Motor vehicles now have a \$10,000 to \$15,000 price tag. That can be a substantial loss.

But it's not only the question of the loss. It's also the question of the test of the liability. Under the present circumstances, some may assume that because a person has been convicted of driving while impaired under the provisions of the Criminal Code — on a breathalyzer test, that may be that a reading of 0.08 or greater was found. In itself, that is not sufficient to indicate a breach of the statutory condition of the policy as it presently exists and as we intend to remove. Because the test presently provided in the statutory condition is tougher, much more difficult to meet than the strict test found under the Criminal Code. It needs more than just evidence of blood alcohol content. It almost needs evidence of the actual driving of the insured at or before the time of the event.

So as a result, while many of these circumstances are raised with insurance companies, few of them are pursued because of the fact that the test is much more difficult to meet in this present section of the Act, dealing with

payments to third parties under the public liability provisions. In Section C of the Act, the section that deals with the ability of the insured to recover from the insurance company for his own damages, we will impose the same test as is found in the Criminal Code. So while the exposure to loss may be reduced by what we are doing in the amendment, the possibility of being exposed to loss is greatly enhanced. To those who would suggest that the amendments being proposed will encourage drunken driving, I respond, no. If anything, the cumulative effect of all these amendments will be to further discourage driving and drinking.

With those remarks, Mr. Speaker, I ask all hon. members to join me in supporting Bill 59, the insurance amendment Act, and vote in favor of these amendments during the course of second reading.

MRS. CHICHAK: Mr. Speaker, I would like to make a few brief remarks with respect to Bill 59, the Alberta Insurance Amendment Act, 1981. I must applaud the minister for proposing the amendments contained in this Bill. In just a few words, I think the greatest impact of this Bill would be to benefit innocent third parties in almost every instance, not so much to give a mechanism for the individual directly responsible for whatever accidents or action may be brought against that individual who is the insured, to give him any kind of armor of further safeguarding any kinds of responsibilities he has. It seems experience in the public generally has been that where difficulties have arisen in interpretation or because of the manner in which the legislation is written, innocently unsuspecting, the third party has come to suffer physical and financial losses. Whether it's a result of their inability to be able to continue their earning power, resulting from accidents, or whether it's with respect to life insurance where the matter of business is involved, and losses in credit responsibility, it is always the third party that suffers to some extent without having contributed to the situation in any way.

So I simply want to commend the minister for bringing in these much needed, long overdue proposals for amendments in legislation. I'm sure the positive approach of bringing about a greater degree of difficulty or responsibility, particularly with respect to the ability to operate a vehicle and the licence situation there — a greater onus will be placed on that individual to exercise a greater degree of responsibility for his actions. I want to join the hon. minister in encouraging members to give full support to this Bill and communicate its real impact.

Thank you, Mr. Speaker.

[Motion carried; Bill 59 read a second time]

Bill 73

Public Auctions Act

MR. ZAOZIRNY: Mr. Speaker, it's my pleasure to move second reading of Bill 73, the Public Auctions Act. In moving second reading, I think it appropriate that the parameters of this new legislation be brought before the Assembly. My remarks will be less extensive than those of the previous speaker, the Minister of Consumer and Corporate Affairs, because the legislation contemplated in Bill 73 is much more straightforward than the legislation previously under discussion. As was mentioned at the time of introduction, the Bill is intended to replace The Sale of Chattels by Public Auction Act, and will outline the rules governing the sale of goods by public

auction.

I'd simply like to lay before the Assembly the provisions of this Bill. The first is the elimination of duplicate licensing by the Department of Consumer and Corporate Affairs of the auction sales business, which is already licensed by the Department of Agriculture and is restricted to the sale of livestock. Under the present legislation, there is a requirement for licensing by both departments. It would seem rather inappropriate; frankly, an unnecessary regulation and evidence of red tape, if you will. So this legislation would insure that where the business is restricted to the sale of livestock, licensing through the Department of Agriculture, which is already a requirement, would be the sole requirement. Of course, in those instances where an auction business is engaged in the sale of not only livestock but other merchandise as well, both departments would require licensing.

Secondly, under this new Bill, charitable organizations will be relieved of the burden of applying for a ministerial exemption to conduct an auction sale without a licence. The kind of situation we're contemplating here is the local senior citizens group that gets together and auctions off a quilt that has been knitted by one of the members of the group. Under the present legislation, if one obtains a ministerial exemption, there will be no requirement of a licence. But it would seem a rather unnecessary burden to impose in those kinds of circumstances. This legislation will eliminate that rather arbitrary requirement.

Thirdly, under the new legislation the licensing will be of the auction sales businesses. It seems appropriate in this day and age, when most auctions are conducted through limited companies, that that is the place where the licensing should occur. Each auction business will be required to ensure that the auctioneers who engage in the business of auctioneering are properly licensed, pursuant to the regulations which relate to the subject Bill.

Another change from the present legislation is with respect to the requirement for statutory declaration as to the ownership of merchandise, it being stated to be free and clear of all liens and encumbrances. Of course there is a need in this business to ensure that merchandise offered for sale is free and clear of liens or encumbrances. Frankly, this has posed a very difficult practical requirement to meet with goods of a very nominal value. This problem was brought before the government by the Auctioneers Association of Alberta after many years experience with this difficulty.

This Bill will prescribe a new arrangement. It will require that any merchandise having a value in excess of \$500 will require the execution of a proper statutory declaration, as is the case under the existing law. However, with respect to merchandise having a value less than \$500, the statutory declaration will not be required. However, the burden of responsibility will rest with the auction business. If there is any instance where merchandise was sold, purportedly free and clear of liens and encumbrances, and it turned out that that was not the case, the responsibility for redressing that wrong would lie with the auction business. The auctioneers of Alberta are quite agreeable to accept that responsibility. The net result will be the elimination of what would appear to be some rather unnecessary paperwork, when one takes into account the vast number of transactions involved in any particular auction sale.

The final major provision of the Bill that I would like to draw to the specific attention of the House is in regard to trust accounts. Of course the present legislation requires the maintenance of a trust account to ensure that

the moneys from an auction sale are not mixed with those of the general operation of the auction business. However, the existing legislation does not require that that trust account be maintained in the province of Alberta. For purposes of attachment and ensuring that those moneys can be gotten if there is a need, the new Bill will require that the trust account be maintained within the jurisdiction and within the province of Alberta.

Mr. Speaker, I believe that fairly summarizes the major provisions of this new Bill. I can advise the Assembly that there has been considerable communication with interested and affected parties, in particular the Auctioneers Association of Alberta.

I invite members to join with me in approving second reading of this Bill.

[Motion carried; Bill 73 read a second time]

Bill 60
Students Loan Guarantee
Amendment Act, 1981

MR. HORSMAN: Mr. Speaker, in moving second reading of Bill 60, the Students Loan Guarantee Amendment Act, 1981, I'd like to take a few moments to outline the reasons for the Bill which, all members will realize, is very brief. It provides that we will increase the amount by which the government will guarantee student loans from \$35 million to \$100 million. That figure was arrived at by assessing what likely will be the requirement for the next five years. In arriving at the figure, we are taking into consideration the fact that the student loan program in all likelihood will continue to be a very major component of the whole question of student financial aid during the next five years.

I think it's important to point out, and take this opportunity to do so, that at the present time the provincial governments, together with the government of Canada, have been engaged in a review of the entire question of student finance through a joint task force. That task force has reported to both the Council of Ministers of Education, Canada and the Secretary of State for the Government of Canada. I think it's important to note that the most recent change in the office of the Secretary of State for Canada, from the Hon. Francis Fox to the Hon. Gerald Regan, has somewhat delayed the important meeting which must now take place between provincial and federal government officials, with respect to the whole question of long-term student financial aid matters.

The task force report was released in the spring of last year. At that time, the then Secretary of State, the Hon. Francis Fox, requested that students and other interested persons be given the opportunity of reviewing those recommendations and making further comments on them. That process consumed several additional months. I understand the summary of those additional recommendations has now been made available to the public and to those people who participated in making those representations. This Bill is an important part of the whole question of student financial assistance.

As well as the current status of the task force review, I thought it would be useful to indicate to the House the present situation in Alberta. We have had a very marked increase in the number of applications for student financial assistance and student loans. Mr. Speaker, that is reflective of the increased enrolments in the postsecondary system which have occurred during the past three years. Hon. members will be aware that enrolments had

been declining, particularly in the university sector, for a period of years. It's just in the last two years that there has been a turnaround of some significance at the university level.

At the colleges and technical institutes level, the growth has been steady over the past several years. In fact, there has not been a decline in either of those two sectors. I think it's useful to note that as of October 16 of this year, applications for student financial assistance totalled almost 18,000. That is up from 15,000 in 1980 and 13,400 in 1979. As of that date, about 3,100 were on hand for processing, which is down from 4,300 a year ago. So the process has been materially speeded up, and I hope that figure will be reduced to very few, if any, by the end of this month or certainly by the early part of November. The result of these additional requests for student financial assistance meant that by the end of December of this year the present loan guarantee of \$35 million would no doubt have been reached. We have introduced this amendment for that purpose.

I think it's important to add an additional comment or two with respect to the reasons for an increase in the loan applications. Recently we introduced a number of grant programs to the financial assistance programs available. As a result of the extensive advertising campaigns which have been conducted by my department and the Students Finance Board over the last while, the number of applications received has increased 34 per cent over the 1979 level. That, of course, is due to a turnaround in enrolment increases at the university level this year in particular. While I don't have the exact figures available to me yet, or an analysis of those figures, I expect to have that information very soon. When I do, I intend to make that information available to all members of the Assembly, because I'm sure they will be interested in those statistics.

I should say as well, with regard to the awards made to date — almost 15,000 of them — that there have been 344 requests for a review or appeal of what had been awarded. That figure is a very small one in the total of 15,000; therefore, it suggests to me that the Students Finance Board process is working very effectively in dealing with requests from students for financial assistance under the student loans guarantees.

With those words, I ask hon. members to support this, increase in the amount this province is prepared to guarantee by way of student loans for the foreseeable five-year period.

MR. APPLEBY: Mr. Speaker, I would like to commend the minister for bringing forth this Bill increasing the ceiling on the liability the province takes for student loans, and also commend the minister for the human type of feeling the people in the administration and his department have shown in developing a program that is very encouraging for young people continuing their postsecondary education.

In the last 10 years, I've become involved in a student's application on perhaps only half a dozen occasions. I've had the opportunity to provide additional information to the Students Finance Board, that the student perhaps has not provided in order to have their loan processed in an acceptable manner. Every time I've had an opportunity to work with the Students Finance Board, I have found them very receptive to the information I have been able to provide, and very willing to give the student every opportunity to develop their own postsecondary education.

Besides commending the minister at this time, I would

also like to commend the staff he has developed over those years. I think the very practical and human approach they take to the opportunity to work with the students of this province is very necessary and has been done in a way that the students themselves feel very contented about.

Each year I have also had several letters from students whom I have not been involved with in the student loan program, commending the government for the type of assistance they have received. I think this reflects what the students feel about the program we have in effect. I would certainly support the Bill, and urge all other members to do likewise.

MR. GOGO: Mr. Speaker, I'd like to endorse the remarks of the hon. Member for Athabasca. As a member who has a university and college within the constituency, I've had very few complaints with regard to the Students Finance Board. I'd like to point out to the minister that I've been so impressed with the members of the Students Finance Board and the way they have dealt with not only requests but appeals, as pointed out by the hon. Member for Athabasca. I think Alberta has done so much, not only for the students who want to pursue a postsecondary education in Alberta — indeed, if educational opportunities are not available in this province, the minister's department, Advanced Education and Manpower, has made provision whereby the Alberta student can use the student loan fund to go to other jurisdictions in Canada.

Although we're not in committee stage, I'd just like to put one or two questions to the minister, which he may choose to answer when he closes the debate. One would be the maximum interest rate at which students in Alberta can borrow under the fund. My understanding is that no interest is charged to the students during the time they're in postsecondary institutions, but it starts sometime at the conclusion when they've been able to get started in their careers. I understand that we use a private banking system in Canada to advance these funds, and the student loans guaranteeing fund picks up the difference between the amount charged by the student, whatever that rate is on repayment, plus all the interest during the time he's had the loan. It would seem to me it might be very appropriate to be using some departmental funds, government funds or, indeed, if we're talking \$100 million, perhaps the Heritage Savings Trust Fund.

Mr. Speaker, again I want to endorse the comments by the Member for Athabasca, commend the minister for bringing this forward, and urge all members to support it.

MR. SPEAKER: Before the hon. minister closes the debate, may the hon. Member for Innisfail revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. PENGELLY: Mr. Speaker, on behalf of my neighboring colleague from Red Deer, I would like to introduce to you and to members of the Assembly 60 students from the Eastview junior high school in Red Deer. They are accompanied by Mr. Ken Young. I would ask them to rise and receive the warm welcome of the Assembly.

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

Bill 60
Students Loan Guarantee
Amendment Act, 1981
(continued)

MR. COOK: Mr. Speaker, I wonder if I might make a few remarks with regard to Bill 60, and as well express the support of the people of Edmonton Glengarry for this kind of initiative.

Mr. Speaker, I'd like to point out that in my constituency a lot of students go to NAIT, the colleges, and the university. There's been a good deal of support for this fund from students coming from Edmonton Glengarry. It's interesting to note the contrast of the support of Albertans for this fund as opposed, for example, to Ontario, where a student demonstration yesterday and the day before led to Queen's Park. We simply don't have the problems that students in Ontario do, where tuition rates are rising rapidly, and support for them is dropping. It's a credit to both the minister and the government that the Alberta government has generally quite positive support from the student community. This kind of initiative, lifting the ceiling from \$35 million to \$100 million, is a good example of why Ontario has difficulties and right now Alberta does not.

[Mr. Appleby in the Chair]

DR. BUCK: Mr. Speaker, just one or two words, and some of these are in the form of questions. I'd like to say that I certainly support the Bill, because as I believe the late President Roosevelt said, nobody shoots Santa Claus. It's a little difficult to do anything but support the Bill. But seriously, Mr. Speaker, and to the minister, I do support the amendment.

I have one or two concerns. I think it would be of benefit to the members of the Legislature — if it cannot be done now, at least it could be done in committee — to explain to the members the forgiveness portion of some of the loans. I know this has always caused a lot of confusion to many people, including students. They're not exactly sure if a portion of the loan is forgivable or not.

I would like to say to the minister that I'm pleased to see the government has finally made a move in the direction where a student is independent of his family, that the family's income should not be taken into consideration when the loan is applied for.

Another thing I would like to bring to the attention of the Legislature, Mr. Speaker: it would be interesting to know when we move into committee — or the minister may know now — how many loans are defaulted. What percentage of the loans are defaulted? I had a young man working for me at one time in, of all things, an election campaign, and I kept getting letters from the University of Saskatchewan trying to track this young fellow down, because he was in default of his loan. Then, if that wasn't bad enough, his girlfriend was also in default of a loan. To top it all off, the guy took my truck for a weekend and I didn't see it for four days. So we all had an interest in this young man's future. Needless to say, I didn't invite him back in the second campaign.

I would just like to say to the minister that I certainly support the amendment. Those are the only reservations,

and I believe the minister can answer some of my concerns either in committee or when he closes the debate.

MR. HORSMAN: Mr. Speaker, I thank the hon. members for the support they've indicated today. A number of questions were raised, some of which I should deal with in committee because they are rather specific. I do want to point out, with respect to questions raised by the hon. Member for Lethbridge West, that with respect to the maximum rate that can be borrowed, that depends somewhat on the combination of our program and the Canada Student Loans Act. The maximum rate depends as well on the marital status issue. So I'll have to get the exact figures, but combining the two, Canada student loans and the Alberta student loan plan, it is in the neighborhood of \$4,000. I want to point out that I will get the exact figures for the hon. member and bring those back.

I do want to point out this, and it is a very important feature of our program, sometimes overlooked: we put a ceiling on the loans last year, and provided that if needs were demonstrated in excess of that ceiling, those needs would be met by direct grant to the students. If there is clearly demonstrated need, anything above the student loan ceiling will be granted directly in a non-repayable payment to the students. I think that is a very important feature of our program.

The second important feature relating to students, and we've gone into it in the past, is what we call — it has such a complicated name, I have a little trouble — the Alberta educational equal opportunity equalization grant, providing grants for students over and above the loan they may have to take out, if they demonstrate that they must leave their home community to pursue postsecondary education elsewhere in the province or, in the case of some courses not available in Alberta, outside the province.

I should point out that in the first year that program was in effect, 2,817 Alberta students benefited. The total expenditure was in the neighborhood of \$3 million. The ceiling proposed on that in the first year was \$1,400, but in the current academic year that amount of grant has been raised to a maximum of \$1,800. We're estimating that this year approximately 4,000 students will have advantage of that particular grant, for an expenditure of \$4 million. That is a very important feature to remember in dealing with the loan portion. The loan comes first, and then other demonstrated needs are made by way of non-repayable grant.

The other question raised by the hon. Member for Lethbridge West related to the interest rate charge. He is quite right in pointing out that while the student is in postsecondary education, while they're actually enrolled in one of the institutions, the interest rate is paid by the Students Finance Board. In other words, the loan interest rate is not charged to the student, and for a period of six months thereafter, while the student is either looking for employment or engaged in the first few months of employment. Of course, thereafter the interest rate is paid by the student.

There have been discussions between the federal government and the chartered banks with respect to the level of interest rate. We have made representations on behalf of the provinces to maintain that interest rate at the lowest possible level. That is a difficult matter now because of the interest rates charged by commercial lending institutions in the country. But the federal government has the responsibility for making those representa-

tions to the banks, and I understand they are doing so.

With regard to the comments of the hon. Member for Edmonton Glengarry, I appreciate his comment that we have not had a demonstration similar to the one at Queen's Park yesterday or on Parliament Hill. But I wouldn't like him to think for a moment that everybody in Alberta is completely satisfied with our student financial assistance programs. I'm not encouraging similar demonstrations in Alberta by any means, because indeed we have the lowest tuition fees in Canada at our institutions. Other than perhaps Newfoundland, we have the highest per capita expenditure, in terms of postsecondary education, to the institutions themselves in Canada.

I do not anticipate demonstrations. I urge the students to stand with this government and the institutions of this province in opposing the federal government's cutbacks that are proposed with established programs financing, rather than to fight a battle on two fronts, one with the government of this province and one with the one in Ottawa. But that's another issue, and perhaps I'd best leave that to another debate.

In regard to the hon. Member for Clover Bar, I appreciate his comments with respect to students' understanding of the remission system which we have in effect in this province. We have published a number of documents. I have tried valiantly to make sure these documents are printed in understandable English for all of us, including me. As I tell my department, I'm the only person there without a doctorate so I can't understand all the academic terminology used. I want to assure the hon. member that it's really quite a simple process, but it requires certain things. It requires that students complete the year in which they are enrolled. It requires students to make an effort to earn income on their own behalf. As well, if the family is in a position to do so, it requires an involvement by the family during that time the student is regarded to be a dependant. If those things are done, depending on how much the student earns toward his or her own education, a portion will be forgiven by way of a remission. I know there are people who aren't happy with that. They would prefer a grant at the beginning rather than that remission, but that is our current policy. But as I say, it is under review, and we'll be looking at it very carefully in the next few months.

The age of independence was also mentioned by the hon. Member for Clover Bar, and I want to comment on that. It's important to remember that under the Canada Student Loans Act, a student is regarded to be dependant for four years after leaving a secondary institution and going into postsecondary education. Our program regards a student as a dependant for three years. So it is more generous than in other provinces. The age of independence is and will continue to be a matter of debate between some students, some student organizations and government, and some members of the public. But the fact is that at the present time we require a family to continue to support a student in postsecondary education, if it is possible for them to do so.

We make adjustments in the amount required each year, based on actual experience and need. As a matter of fact, I can point out that this year a change was made. In recognition of cash flow problems faced by some parents, the Students Finance Board has reduced by \$500 the expected contributions from parents whose students must move away from home during the current fiscal year. So we do take a careful look at that each year.

The final question asked by the hon. Member for Clover Bar related to the number of loans defaulted. I

would have to take that question as notice and deal with it in committee study of the Bill when I will have exact figures for the member. Quite frankly, it is a very small amount, surprisingly enough. I was amused by his story about the student with whom he had an experience during an election campaign, and noted that the student in question did not return to work for him during the following election campaign, presumably at the request of the hon. Member for Clover Bar. I can only assume that the student went to work for another political party where he thought he might get a free ride. [interjections]

DR. BUCK: No, he's not a Tory.

[Motion carried; Bill 60 read a second time]

Bill 61
Workers' Compensation
Amendment Act, 1981

MR. DIACHUK: Mr. Speaker, in moving Bill No. 61, the Workers' Compensation Amendment Act, 1981, I wish to make a few comments on some areas we will be dealing with. The basic area is that annually this Legislature approves the increases for all permanent and partial pensions received in Alberta under The Workers' Compensation Act. We arrive at this amount through a process that was set in legislation in 1974; that is, the advisory committee to the minister makes recommendations. I'm pleased to note that the recommendations were fairly well thought out. I received a further review of the recommendations and, in effect, we now see an increase more generous than what the advisory committee recommended. As outlined, the increase is in the vicinity of 10 per cent.

Just for the benefit, this will really be an increase to all pensions. For all pensions prior to 1974, part of this increase is shouldered by the general revenue of the province of Alberta. Subsequent to '74, the capitalization and consideration for annual increases is built in; therefore, the employers of the province are funding that portion of the permanent and partial pensions.

Another area in the Act is to provide for amendments to two Acts under my colleague the Minister for Hospitals and Medical Care; that is, an amendment to The Alberta Health Care Insurance Act and an amendment to The Alberta Hospitals Act. I'd like to make some comments on this. This reflects the thinking of the select committee, other members, and the industry itself.

Fairly good consideration and concern was given that about 80 to 85 per cent of the claimants in this province are presently covered under their own participation in our Alberta plans. The employers are already paying a good portion of these workers' premiums as part of their work benefits. To the present time, and as presently under the legislation, through an assessment, the employer pays the cost of medical services that the board pays. In a sense, many employers are paying twice.

Over and above that, there was a continuous transfer of accounts from the health care commission to the Workers' Compensation Board and back. Who did that account belong to? By legislating that, it will now be the responsibility of these two that the accounts will not be transferred back and forth, and will naturally save on manpower, cost, and delays. At the same time, the portion of workers not covered because they may be new arrivals in Alberta and there is a waiting period before they can become participants in our Alberta health care

insurance plan — or they may be transients who don't even have an interest in participating, even though it's illegal. This account will still be accepted by the Workers' Compensation Board, as it has been to the present date. We see that some 20 to 25 per cent of medical costs will continue to be reimbursed indirectly by the Workers' Compensation Board from the assessments of the employers. Albertans will not be covering the cost of these workers through their increased premiums in the Alberta health care insurance plan.

The same principle will apply that no worker will lose any benefits or gain additional coverage by having his account, because of an industry-related accident or illness, covered by the health care insurance commission. In other words, the ceilings that are presently in place will continue to apply. If there is a requirement for additional coverage that the board has traditionally provided and reimbursed and paid for, this will continue; therefore, no change to the benefits of workers in Alberta.

I want to make one more comment, Mr. Speaker, other than possibly explaining in committee study why there are some changes to the Act that Executive Council recommended.* I want to point out that in these steps, we in Alberta will be the first province where workers' compensation legislation will provide for the first steps of the transfer and responsibility of most medical costs from the Workers' Compensation Board to the Alberta health care insurance plan.

I also want to indicate that with this, there should be a levelling off. The belief is that there will be a levelling off in the increases in these assessments that are taking place, because we've had a continuous increase over the years. It's one that the committee dealt with and I have addressed myself to.

I want to say that I welcome the almost unanimous support of members of this Assembly for this progressive and bold legislation.

MR. DEPUTY SPEAKER: Are you ready for the question on Bill No. 61?

MR. PAHL: Mr. Speaker, before calling the question, I'd like to indicate to the hon. minister that he has my almost unanimous support for his legislation.

[Motion carried; Bill 61 read a second time]

Bill 63
Land Agents Licensing
Amendment Act, 1981

MR. L. CLARK: Mr. Speaker, it gives me a great deal of pleasure to move second reading of Bill No. 63, the Land Agents Licensing Amendment Act, 1981.

As you know, last year we passed The Land Agents Licensing Act, 1980. One requirement under that Act was that we set up a land agents' advisory committee, consisting of at least four landowners and four land agents. One duty of this committee was to advise the minister on educational qualifications, a code of ethics, and licensing standards. One recommendation this committee has made is that there be more than one classification of licence, so that the many new people getting into the profession could start out on an interim licence and then upgrade themselves to a better class of licence. Our present legislation allows for only one class of licence. This amendment simply allows the issuing of a different class of licences,

and the terms and conditions each is subject to, along with the rights, duties, and obligations of each licence.

DR. BUCK: Mr. Speaker, I'd like to make one or two brief comments. I support the amendment. I'm also pleased to see that they are now finally starting to move into a little more professionalism in landmen than they were in the past. I believe they're now offering a two-year course at Olds.

AN HON. MEMBER: They had that at Mount Royal years ago.

DR. BUCK: Well, if they had it at Mount Royal years ago, it's too bad that Esso and some of those people didn't send some of their people there.

AN HON. MEMBER: I'm a graduate.

DR. BUCK: The hon. member says he's a graduate. That's just like being a graduate of reform school, with some of the horror stories we hear from farmers who have had to deal with some of these people in the past. But just because there are one or two bad apples in a barrel doesn't mean they are all that way. It was a concern many farmers in this province had for many, many years. So I'm really pleased to see it is becoming a profession.

I like to tell the story that I personally had a dealing with a landman who came and wanted the rights to go and drill some water holes or something on the land. I think they must have thought this fellow looked like he needed a job and picked him up off the sidewalk some place. He certainly needed a job all right, because from his attire, educational level, and expertise I guess somebody thought he should have something to do. Anyway, this man tried to communicate with me several times and finally caught me home on a Sunday afternoon. Mr. Speaker, what people do on Sundays is entirely their own business, but I don't think that's a good time to come pounding on a person's door, trying to get a release so you can go ahead and start drilling holes on my property. Needless to say, to the hon. member presenting the Bill, I told the man, there's the door and it goes out that way, and don't come back until somebody who looks like they know what they're talking about will come and discuss it with me. I guess whoever the man's employer was must have got the message, because they didn't bother me anymore. I told them I didn't really need \$400 that badly for them to run around my field in the middle of winter drilling holes. But it was just the unprofessional approach. That's a small example, and we have heard these stories over the many years the province has been a gas and oil producer.

When the member closes debate, I would like him to comment further on what he's doing, and enlighten some of the members on the programs we are bringing forth to our landmen. I'm sure the hon. Member for Calgary McKnight will enlighten us on some of the great virtues of landmen. I certainly support the legislation and look forward to hon. members enlightening us on some of the virtues of former landmen.

MR. MUSGREAVE: Mr. Speaker, I would like to make a few comments. Sometimes these gentleman farmers who grow trees disguise themselves, and the landman has great difficulty finding them. I would like to suggest that a course for landmen has been running at Mount Royal

*See page 1376, right column, paragraph 3

College for several years. Suddenly a lot of people think that because there is one at Olds, now we're making great strides in the future. I would like to point out that Mount Royal has been working in this field for several years. The landmen's association has for several years also been sending graduates down to Oklahoma by way of bursaries through the association, encouraging their people to upgrade their professional status.

The important thing I would like to leave with the Legislature today is that the landmen's association is beginning to see the light. A few years ago in Calgary they would not allow a woman to be in the organization, and today over 100 land agents are women. I can assure the hon. member that future land negotiations are going to take on a significantly different tone than they have in the past.

MR. DEPUTY SPEAKER: Does the hon. member have leave to close the debate?

HON. MEMBERS: Agreed.

MR. L. CLARK: Mr. Speaker, I would like to say for the hon. Member for Calgary McKnight that the reason I'm putting this amendment through is to make different classifications of land agents and not because women are going into the field. But I really believe that what we are doing — and in answer to the hon. Member for Clover Bar, on the surface rights committee we went to many places. And as far as the old land agents are concerned, the farmers who brought their qualifications to him, we got loud and clear what their qualifications were. That is one of the reasons we have decided to put through The Land Agents Licensing Act and also this amendment: so there is a more professional approach to the land agents' field of endeavor and they have some code of ethics when they go out to meet the farmer.

[Motion carried; Bill 63 read a second time]

Bill 62
Department of Government Services
Amendment Act, 1981

MR. McCRAE: Mr. Speaker, there are two principles in this Bill, both very, very straightforward. One is to give authority to the Department of Government Services to conduct heating, care, maintenance, generally to do operating work in or for institutions that are getting their funding, either whole or in part, from the government.

The statute that governs the services we provide to different institutions presently provides that those institutions getting some of their funding from the government can use our services for purchasing equipment supplies and for disposition of their surplus equipment. We discovered an oversight in the statute, in that we were providing certain operating maintenance services for institutions, and really there was no statutory authority for it — or might not have appeared to be. So we're simply amending the Act to provide that.

The best example might be in Calgary where the government has constructed a building for the Red Cross, which I guess you would say is really owned by them, yet maintained for them by agreement by the Department of Government Services. This will certainly clear up the authority of our department to do that.

Mr. Speaker, the second amendment is simply to increase the revolving fund from \$60 million to \$75 million.

The revolving fund is the vehicle by which the Department of Government Services provides to other departments of government certain services under Section 12 of its Act. From time to time, we increase the amount of that fund. It is now timely that we do that, and we've asked for authority to go from \$60 million to \$75 million. I think the amendments are very straightforward. I ask all members to support them, and move second reading.

[Motion carried; Bill 62 read a second time]

Bill 64
Environment Statutes
Amendment Act, 1981

MR. D. ANDERSON: Mr. Speaker, I'm pleased to move second reading of Bill 64, the Environment Statutes Amendment Act, 1981. If Bill 63 by the hon. Minister of Government Services was a very, very straightforward Bill, I suggest that this one is even more straightforward. The Bill merely amends the Alberta Environmental Research Trust object by adding the words "and development" after "research", thereby allowing that particular body to engage not only in research activities, but be able to develop those research projects to the point where they're practical for the project being looked at.

For those who are not particularly familiar with the Alberta Environmental Research Trust, it's a body of citizens appointed by the government who manage to give small grants, ranging anywhere from \$500 to around \$100,000, to organizations or individuals involved with environmental research. The funding for that comes from both government and private industry. This amendment will merely allow that group to extend even further the opportunity of involving the private sector with the small amount of government funding that takes place, thereby enhancing research in the province and making it more practical for all those projects it's involved with. So I'm pleased to move second reading of this Bill.

[Motion carried; Bill 64 read a second time]

Bill 65
Expropriation Amendment Act, 1981

MR. HIEBERT: Mr. Speaker, in rising to speak to Bill 65, the Expropriation Amendment Act, 1981, I would like to remind members that two amendments are being proposed with regard to The Expropriation Act. Both amendments deal with Schedule 1 of that Act. To remind members, Schedule 1 sets out sections of various Alberta statutes to which it was intended that the procedures under The Expropriation Act should not apply.

The first amendment I will deal with is in Section 5 of the schedule. In this amendment, it is proposed to delete the reference therein to cancellations or withdrawals under Section 79 of The Public Lands Act. Under that Act, Mr. Speaker, the Minister of Public Lands and Wildlife is given authority both to grant and to cancel leases on public lands. An example would be a grazing lease. When leases are cancelled or when a portion of the leased land is withdrawn from the lease, the lessee is entitled to compensation for loss. In 1977, it was decided that the Land Compensation Board set up under The Expropriation Act should be empowered to determine the amount of compensation paid to such a lessee. Therefore the reference to Section 79 in Schedule 1 of The Expropriation Act must be deleted in order to allow the provi-

sions of The Expropriation Act to apply to such situations.

Mr. Speaker, the second amendment being proposed is the opposite of the first. Here we are proposing to add a section to the list of exceptions contained in Schedule 1 to ensure that The Expropriation Act will not apply.

In 1976 a new section was placed in The Mines and Minerals Act which empowered the Minister of Energy and Natural Resources to accept or surrender, cancel or refuse to renew, an agreement under the same Act. An example would be a drilling lease. Again the statute calls for the lessee who suffers such a loss to be compensated. But in this case the Act clearly provides that the amount of compensation will be determined in accordance with regulations under this Act, specifically the mineral rights compensation regulations. Therefore, in this case it should be clarified that a lessee has no right to come to the Land Compensation Board under The Expropriation Act to have the amount of compensation determined. As a result, it's necessary to add this to the list of statutes in Schedule 1, so that cancellations and refusals to renew under The Mines and Minerals Act do not apply.

In summary, Mr. Speaker, the one amendment is to delete so that a section under The Public Lands Act does apply to The Expropriation Act. The second amendment is to add a section under The Mines and Minerals Act so that The Expropriation Act does not apply.

With that, Mr. Speaker, I urge members' to support second reading of Bill 65, the Expropriation Amendment Act, 1981.

[Motion carried; Bill 65 read a second time]

Bill 67

Alberta Hospital Association Act, 1981

MR. RUSSELL: Mr. Speaker, I would like to move second reading of Bill 67, the Alberta Hospital Association Act. This Bill will amend and replace the existing Act. It's something we've been working on with the Alberta Hospital Association for the past two-year period. We've now reached agreement on the essence and principles of the Bill, and it's here for the consideration of the members.

The Alberta Hospital Association is a society or organization formed to represent the common interests of hospital trustees and administrators for all kinds of hospitals, and now including nursing homes throughout the province. As such, it is not the organization which runs hospitals. I know there's been some confusion in that. But they are an association which looks after common interests and, in some cases, takes on specific duties for all or some of its members. The association also owns and operates the Blue Cross plan, which is the insurance plan that provides for the program of extended health care benefits to Alberta citizens, either in a group form or on a private contract holder basis.

At one time we asked the association if they would consider a change in name that we thought would more accurately reflect to the public what the association was. We did this following the last nurses' strike, when it became apparent that many of the general public of Alberta believed that the Alberta Hospital Association was in fact an arm of government. The association considered a change in name and, by resolution at their last annual meeting in Calgary, turned down the suggestion. The title of the Bill and the title of the organization remains the same.

Insofar as content of the Bill is concerned, Mr. Speaker, the objectives have been updated to reflect what I believe we would expect the association to have as objectives in this time, the 20th century. It deals with the matter of establishing their by-laws, electing their executive, the holding of annual meetings, and the kinds of administrative and routine things that an organization of this type should have.

The second part of the Bill deals with a substantial change in the method of appointment of trustees to the Blue Cross plan. It's important to keep separate the two bodies, the board of directors of the AHA and the board of trustees of the Blue Cross plan. The AHA is very anxious to put Blue Cross on what they consider to be a more competitive, businesslike approach, with respect to other insurance plans in the country in both the public and the private sector. We've agreed to the suggestions they have made.

The last thing I should mention about the Bill is that it comes into effect January 1, 1982. A few weeks' transition period is allowed for administrative changes within the organization when they go from the existing Bill to this one.

MRS. CHICHAK: Mr. Speaker, I would like to make a couple of brief comments with respect to one particular area in this Bill: membership by nursing homes, the capability of voluntary membership. I see this aspect of the legislation introduced by the hon. Minister of Hospitals and Medical Care as positive — with respect to that kind of consideration that exists in the determination of standards, value of service, and a greater capability of communication, an interchange of ideas — between the membership of the Alberta Hospital Association, as it now exists, and the nursing homes, particularly privately operated contract nursing homes.

I see a real benefit in their being able to become members within this association, if they so decide — to exchange their problems, their difficulties, to have the benefit of dialogue of the approaches to better service, better care for the citizens whom I know they all have a common goal in serving, and to maintain, upgrade, and improve the standard of care; the exchange of program availability for in-service training and the utilization of in-service training programs and dialogue — in consideration that there is in place under the structure of the Alberta Hospitals Association that kind of capability they can make available particularly to the privately operated contract nursing homes. So I really see a positive move in interchange of dialogue and awareness between the two different bodies.

Thank you, Mr. Speaker.

[Motion carried; Bill 67 read a second time]

Bill 68

Lloydminster Hospital Amendment Act, 1981

MR. LYSONS: Mr. Deputy Speaker, I'd like to move second reading of the Lloydminster Hospital Amendment Act, 1981. There are a number of changes in wording in this Act. In the old Act Lloydminster was referred to as the "Town of Lloydminster". We must upgrade that because it's now a very thriving city.

The main purpose of the Bill is to allow an amalgamated board to look after the hospital. Some permissive legislation is that if they wanted to expand into the

auxiliary hospital or nursing homes, then they could, and could be the same as all other hospitals in Alberta. Although the hospital is actually located in Saskatchewan, it's run jointly.

I believe those are the main points of the Bill. I'd like to move second reading.

[Mr. Speaker in the Chair]

[Motion carried; Bill 68 read a second time]

Bill 71

Summary Convictions Amendment Act, 1981

MR. CRAWFORD: Mr. Speaker, I move second reading of Bill No. 71, the Summary Convictions Amendment Act, 1981.

This is an important adjustment to existing legislation in respect of summary convictions in the province. I might indicate that The Summary Convictions Act is the comprehensive piece of legislation under which many types of quasi-criminal proceedings are taken. It involves enforcement, by means of that legislation, of penalties under provincial statutes, regulations, and in some cases pursuant to municipal by-laws.

The existence of a ticketing system which is very important to the course of the work flow in the courts has at the present time created an area of a little bit of uncertainty, in our view, that would be clarified by this Bill. In other words, Mr. Speaker, there are about 15 statutes of Alberta where penalties are generally processed through what is known as the violation ticket regulations. Pursuant to tickets issued, it allows specified penalties to be paid in respect to numbers of relatively routine violations of statutes. The reason for that, I will recall for hon. members, is the importance of diverting some of the work flow from the court system and improving the service to the public. We can all recall occasions when the most minor offences would call forth an appearance in court and the demand that the person stand and plead guilty or not guilty.

In recent years we've gotten away from quite a bit of that by the specified penalty system. A person may sign, in effect, a guilty plea and forward the payment. It's clear that that is not appropriate at all for serious offences, and there are certain borderline cases where it's proper for the law to provide that a peace officer may have an option to issue either a specified penalty or summon the person to appear in court, thereby providing the judge with an opportunity to view the particular facts of that case. If he regards them to be more or less serious, he can deal with them in a way not in the specified penalty.

Mr. Speaker, the best example would be in cases where a person may have a suspended licence charge laid against him, and the difficult and relatively extreme cases where the reason for the suspension in the first place was a Criminal Code contravention instead of a contravention of a provincial statute. That person really should appear before a judge, because that's a relatively serious matter. Yet potentially there are many cases where it's quite appropriate to provide a ticket for a specified penalty on that. Even if there are not, we have found cases recently where, because of the existence of the specified penalty regulations, some judges have misinterpreted the intention of the Legislature and for suspension offences have been giving something equivalent to a \$20 fine when the person appears in court, because they believe the present status of the statute and the regulations only calls for a

specified penalty.

What we are doing, Mr. Speaker, is clarifying fully and taking away any of the confusion that may have existed over the provisions of the existing Section 7, which provides for the prescribing of a form which the Lieutenant-Governor may authorize be used for the payment of a specified penalty, taking away any potential for conflict between that and other provisions which say that a peace officer may indeed issue a summons. In reading the Bill, as I'm sure all hon. members have, if they will look at it from that point of view, it brings the greatest clarity to that now. My hope is that in proper cases which might otherwise be dealt with by way of specified penalty and where a peace officer subsequent to this amendment chooses to bring the person to court instead by way of a summons, the courts will perceive the intention of the Legislature in that regard. In cases where an alternative procedure is available to the peace officer, the matter should be looked at very carefully with the possibility of sentence being based on the circumstances of that particular case, rather than on a specified penalty. Mr. Speaker, I would urge all hon. members to support second reading of this Bill.

MR. GOGO: Mr. Speaker, I want to make a comment on Bill 71, the Summary Convictions Amendment Act, 1981. I believe I fully recognize the intent of the Attorney General. I recall it was the Kirby Board of Review that looked at the administration of justice, and I believe the previous Attorney General put amendments through the House to have this very thing done. It would appear that to some degree it's not working.

The only concern I would have with regard to the amendment, Mr. Speaker, is amending Section 3 whereby a police officer may issue a summons as opposed to the specified penalty. Maybe the Attorney General would like to comment on it when he closes debate: what happens in the event that the police officers of this province, for whatever reason, decide that each ticket they issue would require a presence in court? I guess I'm speaking with regard to the term "work to rule". We've seen what's happened with regulatory bodies; for example, the air controllers. If they wish to work to rule, I don't know how many tickets are issued in this province on a daily basis, but if each and every one of them had a tick mark that said you will appear before a justice and not pay the specified penalty, the administration of justice could grind to a halt. Mr. Speaker, although I support the Bill and the fact that the Attorney General is trying to get a greater sense of justice relative to certain specific offences in the province of Alberta, that's one concern I have and I'd like to share it with him.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, in addressing the question raised by the hon. Member for Lethbridge West, his question really is: what would happen if we turned back to the old system we had prior to 1978, where there were no specified penalties? The answer is that it would create an increased work load on the court at a time when we're trying to control that work flow much better. All I can do is say that I don't believe for a minute that anything like that would happen. I think it is a very remote prospect indeed that any police officer would use

the legislation in any way other than it's intended. In fact, it will aid them. I might say, Mr. Speaker, that in aiding them I believe it aids all the citizens of the province who have an interest in seeing the laws enforced. The example I used today is one that has received a great deal of attention relative to suspended drivers. My reading of the mood of Albertans today — and this increasing concern has been here for some considerable time — is that they would rather see a more stern enforcement of the law in such cases. There is no prospect, in my mind, that there would be any abuse in other cases where it would be less appropriate.

[Motion carried; Bill 71 read a second time]

Bill 74

Social Services and Community Health Statutes Amendment Act, 1981

MR. BOGLE: Mr. Speaker, I move second reading of Bill No. 74, the Social Services and Community Health Statutes Amendment Act, 1981. The purpose of this Bill is twofold: one, under The Department of Social Services and Community Health Act, after Section 5 to add a provision whereby "the minister may authorize a board, a committee, or a council established under Section 5 of the Act" to investigate or to review matters in certain areas. In this particular case, we're looking at day care centres. We're primarily concerned with the ability of the provincial day care advisory committee — a committee which has been appointed to provide advice to the government through this ministry — to make unannounced visits during reasonable hours at day care centres in the province.

Mr. Speaker, the second major area is with regard to The Social Care Facilities Licensing Act, to ensure that the definition is refined somewhat regarding a day care centre, replacing the term "inspectors" with the term "officers" for those individuals who work in the day care licensing branch; and to ensure that those officers would have the right to visit day care centres unannounced during reasonable, normal working hours.

[Motion carried; Bill 74 read a second time]

Bill 76

Interpretation Amendment Act, 1981

MRS. FYFE: Mr. Speaker, I would like to move second

reading of Bill 76, the Interpretation Amendment Act, 1981. This Bill covers an amendment to Section 21 of The Interpretation Act passed in 1980. Section 21 empowers a deputy minister to act for a minister of the Crown. The amendment would also empower a person who is acting for a deputy minister to act for a minister of the Crown. Section 21 also covers persons acting for persons other than ministers and who hold an office. The amendment would empower a person who was acting for the deputy or for such a person to act for that person.

The amendment in this Act also introduces a section to The Interpretation Act, 1980, which was overlooked and not contained in the previous Interpretation Act. This section would provide that where an enactment authorizes service by mail:

service shall be presumed to be effected 7 days from the date of mailing if . . . mailed in Alberta to an address in Alberta, or 14 days from the date of mailing, if . . . mailed in Alberta to an address outside the province of Alberta.

I hope that clause isn't too presumptuous. The section also provides that this presumption does not apply if the document is returned to the sender other than by the addressee, or if it is not received by the addressee. This section of service by mail would cover quite a large variety of documents, such as municipal tax notices, land title covenants, decree nisi of divorce, and rulings of court, that could be forwarded by the mail, not by registered or double-registered mail.

[Motion carried; Bill 76 read a second time]

MR. CRAWFORD: Mr. Speaker, in view of the time nearing 1 o'clock, the next Bills that ordinarily would be called are quite substantial, and I propose that we call it 1 o'clock in just a moment. I might indicate that as of now I am unable to say to the members of the Opposition just what the government business will be on Monday afternoon, and whether or not the House will sit on Monday night. Mr. Speaker, I move we call it 1 o'clock.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

[At 12:54 p.m., pursuant to Standing Order 5, the House adjourned to Monday at 2:30 p.m.]

