

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Monday, November 16, 1981 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. BOGLE: Mr. Speaker, it's indeed a privilege and a pleasure today for me to introduce to you, and through you to members of this Assembly, a group of distinguished and hard working volunteer Albertans who have helped make the International Year of Disabled Persons the success it is. On November 26, 1980, I rose to announce the establishment of this committee. Since that time, a great deal of work and effort have gone into the organization and activities of the committee. For hon. members' attention, an information kit has been circulated along with pins, and flags on all hon. members' desks.

Mr. Speaker, I would like to introduce to you His Honour Judge Brian Stevenson, a very active Calgarian, founding president of Horizons '84, a group committed to bettering the lives of disabled Albertans in the city of Calgary; Mr. Richard Hiatt from Edmonton-Winterburn, immediate past member of the Alberta Human Rights Commission and executive director of the Canadian Paraplegic Association; Mr. John Keates from Edmonton, a member and immediate past president of the Parents of Michener Centre organization, an organization that's been working very hard, and I'm advised that their most recent project for the residents of Michener Centre, a new recreation facility on Gull Lake, is nearing completion; Mrs. Elfriede Willms from Bow Island, whose youngest child is paralyzed from the waist down, has been very active in parents of the handicapped organization; Sharon Petryk, a communications officer working with the Alberta Rehab. Council for the Disabled here in Edmonton; Mr. Ichio Ibuki from Lethbridge, a member of the citizens' resource centre board for southwestern Alberta and a very hard working member of that team of volunteers; Gary McPherson from Edmonton, very active in a number of organizations, including the Canadian Wheelchair Sports Association; and Gerard Nicolet from Fahler, director of the preventive social services board for the municipal district of Smoky River. He was a member of the International Year of the Child Committee, and we felt it important to have some continuity between the two committees in terms of recognizing the things that work well and areas where there could be some improvements.

Mr. Speaker, two members of the committee were unable to be present today, and I want to recognize those members as well: Mrs. Donna Desjardines from St. Paul, an active member of the Association for the Mentally Retarded; and Mr. Don Patterson from Calgary, who is away at this time performing his duties as a member of the national council of the Canadian National Institute for the Blind, has been very active as past chairman in Alberta.

I'm going to ask the hon. Leader of the Official Opposition to make a few comments, Mr. Speaker. But before I do, and before hon. members of the Assembly recognize these very hard working volunteers. I want to say a special thank you from all of us in Alberta for giving us a better understanding of the special needs that various Albertans have and for making this year the very outstanding success it has been.

Thank you, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, I would like to thank you for the opportunity of adding my congratulations, my thanks, and my tribute to the Alberta committee that has worked so hard over the last few months to reach a number of objectives in the International Year of Disabled Persons. I think we all recognize that each of the persons here this afternoon have given of themselves on a volunteer basis, have shown that they have compassion for their fellow man, and are making and helping to have others have a better way of life in our Alberta.

Mr. Speaker, I thank you for the opportunity to add my congratulations.

head: **INTRODUCTION OF BILLS****Bill 92****Electrical Energy Marketing Act**

MR. SHABEN: Mr. Speaker, I request leave to introduce Bill No. 92, the Electrical Energy Marketing Act. This being a money Bill, His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

The purpose of the legislation is to establish a statutory agency with the authority to purchase and resell electric energy produced in the province, to act as an agent for electric energy imported into or exported from the province, to administer subsidies and establish wholesale rates for electric sales and purchases, and also capacity to set regulations to deal with the foregoing.

[Leave granted; Bill 92 read a first time]

Bill 99**Legislative Assembly
Amendment Act, 1981 (No. 2)**

MR. CRAWFORD: Mr. Speaker, I ask leave to introduce Bill No. 99, the Legislative Assembly Amendment Act, 1981 (No. 2).

Mr. Speaker, in effect only one section of the Act is proposed to be amended by this Bill. It relates to the provision of supplies and equipment necessary for the operation of members' constituency offices.

[Leave granted; Bill 99 read a first time]

Bill 98**Technical Institutes Amendment Act, 1981**

MR. HORSMAN: Mr. Speaker, I request leave to introduce Bill No. 98, the Technical Institutes Amendment Act, 1981.

Mr. Speaker, this Bill contains a number of amendments brought about as a result of a process of consultation between the Department of Advanced Education and Manpower and the components of The Technical Insti-

tutes Act since the passage The Technical Institutes Act in the spring sitting of this Assembly.

[Leave granted; Bill 98 read a first time]

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. L. CLARK: Mr. Speaker, it's a pleasure for me today to introduce to you, and through you to members of the Assembly, a grade 12 class from the village of Delia. With the class is an exchange student from Montreal, Michel Vaillant. They are accompanied by their principal Mr. Houghton; His Worship Russell Battle and his wife Evelyn; Marlene DeGiano, who is a member of the Starland school board; her husband Wayne; and Norman Marshall. They are seated in the public gallery, and I ask them to rise and receive the welcome of the House.

MR. GOGO: Mr. Speaker, on behalf of the hon. Member for Lethbridge East, I would like to introduce to you, and through you to members of the Assembly, a group of German exchange students attending schools in Lethbridge, Alberta. They are seated in the public gallery, accompanied by their leader Annie Foster and one parent, Mrs. Mertens. I ask them to rise and receive the welcome of the Assembly.

MR. KING: Mr. Speaker, my colleague the hon. Minister of State for Economic Development — International Trade is in Bahrain today in pursuit of his ministerial responsibilities. On his behalf, I would like to introduce to you, and through you to the members of the Assembly, 58 grade 6 students from two classes of the Waverley elementary school. They are accompanied by their teachers Mrs. Pasmore and Miss Resler, who is substituting for the regular classroom teacher, Mr. Mosychuk. They are seated in the members gallery, and I would ask them to rise and receive the welcome of the Assembly.

head: **ORAL QUESTION PERIOD**
Crowsnest Pass Freight Rates

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier. With regard to the Crow rate, a number of farm organizations and some governments have reached a consensus in the last two and a half years, as I observe the process going on. I wonder if the Premier has met with some of those groups recently. Has Alberta a position at this time to present to Ottawa to get this matter on stream?

MR. LOUGHEED: Mr. Speaker, a great deal of work has been done with Alberta as the catalyst, and by the ministers of Economic Development and Agriculture — together with me on certain occasions — to attempt to resolve what is perhaps best described as the Crow rate issue. It is certainly a situation where it would be highly desirable to develop a consensus towards its resolution, despite its complexities.

The hon. Leader of the Opposition will recall that I spoke at length about the subject in this Legislature on October 14. I refer him to my remarks at that time in *Hansard*. I was interested with an indication in the budget documents of the federal government, that they

see a development of a consensus in this area. That was encouraging within the budget documents of the federal government of last Thursday.

I've recently held a meeting, together with the ministers of Economic Development and Agriculture and the chairman of the government caucus agriculture committee, with representatives of Unifarm who are also showing some important initiatives and leadership in this area. We know it's going to take some time. We think it's important that it be developed in a way in which we can assure consensus and we do not take action that creates unnecessary confrontation. That's the strategy of the government and, as I mentioned in my remarks on October 14, has emerged as a very important priority for our government in the coming year.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. I appreciate that the government has changed its tack from confrontation. I note in the budget, as has been recognized by the Premier, that the federal government is providing in the vicinity of \$1.3 billion over the next four years for the purpose of dealing with the Crow rate and the western transportation problem. Would one of the considerations of the government of Alberta be to provide additional funds towards that same goal?

MR. LOUGHEED: Mr. Speaker, just as an aside, if I could refer the Leader of the Opposition to the question of confrontation, I think our government has shown that if we face a situation in which the interests of this province are challenged, we will respond directly to those interests as vigorously as we can. If that's confrontation, so be it. It will continue if necessary.

In regard to the question the hon. leader raised as to financial response, I believe I've responded to similar questions on a number of other occasions in this Legislature. For our part we felt it would be more important, on a project basis, for the government of Alberta to play a financial role as a catalyst in transportation, particularly grain transportation. Again, as my remarks in this Legislature on October 14 indicated, I outlined our response with regard to both hopper cars and the Prince Rupert terminal, and in other ways with regard to the inland terminals as well.

Our Prince Rupert terminal announcement was made, I believe, subsequent to October 14. We do believe there is no question that under the constitution of Canada, responsibility for transportation lies with the federal government. They have the responsibility to adequately finance the facilities necessary for transportation in this country, and that responsibility should continue to rest with the federal government.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. My understanding is that the Prime Minister of the country is waiting for the initiative of the provinces. In the Premier's response, there doesn't seem to be a matter of urgency. Could the Premier comment on whether there will be some action early in 1982 with regard to the Crow rate. Will a public position be taken by Alberta, or will that position be delayed further into late 1982?

MR. LOUGHEED: Mr. Speaker, the question isn't a matter of delay; it is clearly a matter of priority. Involved are some important strategies that have already been undertaken by the ministers of Economic Development and Agriculture in attempting, first of all, to work with

the farm organizations throughout western Canada and to try to see if a consensus can be developed with these farm organizations. I believe it's fair to say that some important progress has been taken by Unifarm and other farm organizations in attempting to establish that consensus. It was, in part, that consensus that's referred to in the budgetary documents.

As far as the provincial governments in western Canada are concerned, the matter was discussed at the last meeting of the western premiers in Thompson, Manitoba. There are some differences, and I think any observer of the present situation recognizes those differences. Rather than approaching the matter in a way that, by its very nature, would cause a response by others who might hold a different view, on this particular matter it will be the approach of the government of Alberta to continue with its usual quiet diplomacy.

MR. MANDEVILLE: A supplementary question to either the hon. Premier or the hon. Minister of Agriculture. Has either the Premier or anyone from his cabinet had any recent meetings with Ottawa officials with regard to the Crowsnest rates, or are they anticipating meeting with their federal counterparts?

MR. LOUGHEED: Mr. Speaker, I'll refer that question to the Minister of Agriculture.

MR. SCHMIDT: Mr. Speaker, further to the comments the hon. Premier has already made, we did have the opportunity of meeting with the federal Minister of Agriculture in discussing the future of the total production of agriculture and the food-processing industry, and dealt with the topic of transportation. Of course, one can't discuss transportation without touching on the Crow rate itself as being a key part of any change that would be effected in the transportation system for western Canada.

I believe it would be five weeks ago that we had the opportunity to discuss that portion which western Canada has played to date and could play, and also brought to the federal minister's attention that the western provinces have now indicated collectively, through various farm organizations and the governments themselves, a recognition of a need for change. At that time, [we] suggested to the federal minister that once that recognition had been established as it has now, perhaps the federal government, whose basic responsibility any move in the transportation policy itself on the Crow issue — we would be looking forward to some submission on behalf of the federal government as to the solution to both the Crow issue and transportation in western Canada.

MR. MANDEVILLE: Mr. Speaker, supplementary question to the hon. Minister of Agriculture. The Crow rate has encouraged small industries to set up in other areas of the province, especially down east and in agriculture. Has the Department of Agriculture taken any studies on what impact the Crow rate has had as far as industries not establishing here in Alberta are concerned? I'm thinking of agribusiness in Alberta.

MR. SCHMIDT: Mr. Speaker, various farm organizations and those areas of manufacturing that have been established in the province for some time have formed opinions as to the degree of support or non-support to their basic industry that the Crow rate and the Crow issue provide. At the present time, we have no knowledge at the present time of the number of industries that may or

may not have located in western Canada because of the differential in the transportation policy itself. But one has to recognize that perhaps the key area of concern in regard to the Crow issue for an agricultural community within our province is the livestock industry and their concerns: the differential between the Crow issue as it pertains to their industry. They, of course, are very keen and have formed part of the submission in making our presentations to the federal government in regard to the responsibilities of change.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Minister of Agriculture. Has the government of Alberta finalized its position yet vis-a-vis the question of whether or not the difference between the Crow rate and compensatory rates should be paid by the federal government directly to the railroads or made available on some basis to permit-holders individually across the country?

MR. SCHMIDT: Mr. Speaker, I believe that question was answered some time ago. To refresh all hon. members, in the basic policy in regard to the province of Alberta and the Crow rate itself, if we had a choice we would have favored that the differential be paid to the producer. But as early as a year ago, recognizing the differences in views by not only various producer groups within our province but across western Canada, there was unanimity in retaining the benefit. But differences occurred as to whether the payments should go to the producer or directly to the railroad.

Recognizing the complex issue before us, we have taken the position that if we have a choice, we would have preferred it paid to the producer. But we would remain flexible, recognizing that because of the lack of unanimity there is perhaps some negotiating and some give and take. We felt we would be in a much better position to provide that flexibility than some of the long-term standing commitments made on behalf of producer groups.

Heritage Savings Trust Fund Auditing

MR. R. SPEAKER: Mr. Speaker, my second question, to the Provincial Treasurer, is with regard to management letters that have been requested to be tabled in this Legislature. Could the Provincial Treasurer indicate whether consideration has been given over the weekend to tabling those documents?

MR. HYNDMAN: Again, Mr. Speaker, for about the seventh time, I think, the law of the province states that those documents, working papers, should not be tabled. I note the hon. member has a Bill on the Order Paper in which he wishes to change the law. That's the appropriate time to debate that matter.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The Provincial Treasurer gives the reason as a legal one for not tabling the documents. Could the Provincial Treasurer indicate whether any legal or expert advice has been given or taken by the Provincial Treasurer to indicate by substance that those documents cannot be tabled in this Legislature?

MR. HYNDMAN: Mr. Speaker, I think the reasons dealt with in the Assembly in 1976, when The Auditor General Act was put forward, are still very current. I've

stated those two or three times in the past, to indicate the present law is that those audit working papers should not be tabled in the Assembly for two very important reasons. One is that there needs to be total candor and frankness with respect to the advice of the Auditor General; and secondly, to reveal through such audit working documents all the various controls in place prevents the control system from working as effectively as it should.

MR. R. SPEAKER: Mr. Speaker, supplementary question. Seeing that no legal or expert advice has been taken by the minister, would the minister consider getting legal advice as to the position he's taking in this Legislature?

MR. HYNDMAN: Mr. Speaker, I guess the hon. gentleman really wants a debate of a proposed amendment to Section 27 of The Auditor General Act. If he wants to put that forward, which in fact he has done through a Bill, then we can appropriately debate that issue at the proper time.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Has the Provincial Treasurer read Bill 258, and does the Provincial Treasurer recognize that Bill 258 does not change the intent of Section 27?

MR. HYNDMAN: Well, I guess that's the matter for debate in second reading of that Bill, Mr. Speaker. We know what the law of the Assembly is today. The law of the Assembly is very clear that the working papers cannot be tabled in the Assembly or before a committee.

MR. R. SPEAKER: Mr. Speaker, the hon. member has said that it did change it, and now he's changing his mind. Where does he stand? What has he done? No homework. So why ask the question.

Rental Rates

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Consumer and Corporate Affairs. It deals with large numbers of cases of rent increases. I note the deathbed repentance of the hon. minister's colleague in Manitoba by formally announcing the day before the election that there will be a formal mechanism to . . .

MR. SPEAKER: Order please. Could we come back to Alberta, please.

MR. NOTLEY: Mr. Speaker, I didn't really intend to bring in any editorial comment. My question to the minister: what steps does this government propose to take to establish some formal mechanism by the Department of Consumer and Corporate Affairs to monitor rent increases?

MR. KOZIAK: Mr. Speaker, as I understand it, the hon. member posed that question not only in the fall session but earlier. On each occasion he posed the question, I provided the response that to develop a formal mechanism that would monitor rent increases would provide a suggestion to the general public that something might follow as a result of that. If that were to be the case, it would discourage the provision of rental accommodation in this province, which would be to the disadvantage of

the citizens of this province. I don't intend to work for the disadvantage of those citizens.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister in a position to advise the Assembly whether the government has contemplated any conditions which would precipitate reintroduction of rent review legislation patterned on the legislation established and passed by this House in 1975?

MR. SPEAKER: Although quite skilfully put, the hon. member's question was clearly hypothetical, saying: have any possible contingencies been thought of which might produce a change in policy. That's speculation.

MR. NOTLEY: Mr. Speaker, perhaps I can rephrase the question to the hon. minister. What review has been made of the programs in other provinces as well as the commissioning of any studies which would allow the government to assess whether there is a set of conditions which would precipitate reintroduction of rent controls?

MR. KOZIAK: Mr. Speaker, perhaps the hon. member would care to glance at the document that he was the recipient of through his party — I understand there is a channel into Mr. Cosgrove's office, and on regular occasions there are leaked documents which flow to the NDP. That document would suggest the problems rent controls are going to provide across this nation in the areas of key money, black-market rents, and many other serious problems, if they aren't removed soon. There is no doubt that in this area, all thinking people are suggesting that rent controls should be removed, and that they are a problem in terms of providing adequate and safe accommodation for people in Canada.

Family Home Purchase Program

MR. NOTLEY: Mr. Speaker, the minister might well want to advise the Premier of Manitoba of his view, especially a few hours before the election.

A supplementary question to the hon. Minister of Housing and Public Works, and it flows from the questions on rent increases. With respect to higher rents and the desire of people to purchase homes, what was the reason the government decided, on October 1, to increase the requirements for down payments under AHOP from 5 per cent to 10 per cent, given the fact that for the fourth year in a row the real income of Canadians has dropped?

MR. LOUGHEED: Not in Alberta.

MR. CHAMBERS: Mr. Speaker, I'm sure the member for Spirit River-Fairview wasn't talking about AHOP; that's a federal program. He's probably referring to the Alberta family home purchase program. On October 1, we increased the budget by \$200 million. The total budget allocated to housing this year is approaching about \$1.7 billion. That accounts for some 24,655 housing units either financed or built by the province of Alberta.

It became necessary to prioritize, and we felt we should look at those with the greatest need. Therefore, we put in a number of priority items, such as two of the last 10 years in the province of residency instead of one in the past five. We did raise the income requirement. The down payment was between 5 and 9 per cent; we increased that to 10. We prioritized in a number of areas to ensure that the \$1.7 billion would last through the current fiscal year.

MR. NOTLEY: A supplementary question to the hon. Minister of Housing and Public Works. The minister indicates that the government had to prioritize to provide funds to the people most in need of them. Is the minister able to explain to the Assembly exactly how increasing the requirements for down payment from 5 per cent to 10 per cent prioritizes in the direction of those who most need it?

MR. CHAMBERS: Mr. Speaker, the Member for Spirit River-Fairview can look as indignant as he wishes, but let's look at some numbers. The government is financing or supporting 10,850 rental units this year; 3,425 units [for] senior citizens; home ownership . . .

MR. NOTLEY: A point of order. I don't want to interrupt the minister, but I didn't ask for the numbers. I asked the reason for the increase in the requirements for down payment, not the numbers.

MR. CHAMBERS: Mr. Speaker, a lot of us worked for a few years in order to save enough money for a down payment on a house. The people I have talked to out there — my constituents and many people across this province — say to me that 10 per cent is not an unreasonable requirement for a down payment. In fact, I've never had anybody yet, except the Member for Spirit River-Fairview, tell me that that's too high.

MR. NOTLEY: A supplementary question — I'm sure it won't be too long before the minister will get that kind of response. The question directly to the minister: 5 per cent was the regulation under the family home purchase program; on October 1, it was changed to 10 per cent. What was the reason for the change?

MR. SPEAKER: Order please. Surely, outright repetition of the previous question.

MR. NOTLEY: Mr. Speaker, the minister has not answered the previous question.

MR. SPEAKER: That's a matter of judgment.

MR. NOTLEY: That's right, there's no question about that.

Home Conversion Program

MR. MANDEVILLE: A supplementary question, Mr. Speaker. I'd like to ask the hon. minister if the program established last year to get funds to renovate basement suites has been working out successfully. Has he met with some of the mayors or the councils in the cities to see if it's working?

MR. CHAMBERS: Mr. Speaker, no, to be quite candid, the program has not met the expectations I had for it. I've been encouraging municipalities to do whatever they need to, perhaps in terms of by-law changes, in order to ensure that home conversions can be met. I think it's an important adjunct to any housing program. Many of us lived in suites when we started out, whether basement, attic, or anywhere in the house: home conversions. Home conversions can do two things: they can provide excellent accommodation at a reasonable cost, and also assist the home-owner to meet his mortgage payments. I think they make excellent sense, and I'm glad the hon. member

asked that question. I encourage every municipality to really look hard at the by-laws in that area and encourage suite conversions.

Women's Rights

MRS. EMBURY: Mr. Speaker, my question is to the Minister of Labour. Has Alberta agreed to the ratification of the United Nations convention on the elimination of discrimination against women?

MR. YOUNG: Mr. Speaker, yes, Alberta has concurred in the convention, indicating, in the early days of the month of October to the Hon. Gerald Regan, Secretary of State, that the province of Alberta supported the federal government in the ratification of the convention on the elimination of discrimination against women.

MRS. EMBURY: A supplementary question, Mr. Speaker. Will Alberta's support for the convention require any amendments to The Individual's Rights Protection Act?

MR. YOUNG: Mr. Speaker, that's a more complex question. A considerable amount of study has been given to the convention. The general view is that, flowing from the convention, no alteration is necessary in the statutes of Alberta as they now stand. Of course, in the future some evidence might come to hand, but the opinions given to me suggest that Alberta conforms very well with that convention at the present time.

MRS. EMBURY: A final supplementary question, Mr. Speaker. Could the minister please indicate if any other changes are needed to legislation or policies to enable Alberta to meet the guidelines of the convention?

MR. SPEAKER: With great respect to the hon. member, it would appear that we're now discussing matters of law.

Recreation Areas

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Recreation and Parks. Could the minister indicate how many recreational areas are going to be established in the province in the coming year?

MR. TRYNCHY: Mr. Speaker, we're working on the 10 locations we announced last summer.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate what criteria they use to determine where they are going to establish these recreational areas in the province? Does the department have input from the public in determining in what areas the recreational areas should be established?

MR. TRYNCHY: Mr. Speaker, that question was asked by the same member while I was doing my estimates, but I don't mind repeating that we get requests from a number of MLAs. We ask them to work with their communities. We don't solicit input from the local council, but we do ask the MLAs to bring their requests forward. Then we sit down and try to fill the voids between provincial parks throughout the province. That's how they are arrived at.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. When we were in estimates, the minister indicated that we bring it up in the question period so we could get a little money spent on parks and recreation in the area. And so I did that. [laughter] Realizing that Kinbrook Island Park in Bow Valley will be getting some consideration, I would just like to ask the minister if he's had any recent meetings regarding Kinbrook park with the committee he set up in the Brooks area in Bow Valley, and if they've made any recommendations on purchasing land at the south end of Lake Newell from the Eastern Irrigation District.

MR. TRYNCHY: Mr. Speaker, I certainly appreciate all the help I can get; I'll take it from whatever corner of the House it might come from. Seriously, just recently I met with the chairman of the Kinbrook citizens' committee, and they're meeting with my department people shortly. I don't have any recommendations from them. We look forward to receiving their recommendations, and hopefully they will include such things as purchase of land, and rebuilding and upgrading what we have on Kinbrook Island.

MURB Program

DR. CARTER: Mr. Speaker, my question is to the Provincial Treasurer. In the wake of the federal budget last week, has the Provincial Treasurer been able to assess the shift in benefits under MURBs, the multiple urban residential building program?

MR. HYNDMAN: Mr. Speaker, on first review it would appear that the results will certainly not be positive in the province of Alberta, insofar as they do not encourage new or even existing capital investment dollars, risk dollars, to go from individuals and corporations into the housing construction market.

DR. CARTER: A supplemental question to the Minister of Housing and Public Works. Has the minister been able to evaluate the impact of the revised MURBs on construction of rental units in the province and, in particular, its impact on Calgary, where the rental rate is very low?

MR. CHAMBERS: Mr. Speaker, the initial evaluation I've had an opportunity to do indicates that it's very serious. I'm sure it is in every part of this country that has difficulty with vacancy rates. It isn't just the capital costs allowance; as of the budget date, we're talking about the cancellation of soft costs, which is a major factor in the entire MURB program. So yes, it's serious. I think it's a tragedy nationally that the federal government would even consider cancelling the entire MURB program.

DR. CARTER: A final supplemental to the Minister of Housing and Public Works. Has your department been able to run any figures at the moment? Is it true that in Calgary alone it's estimated that 3,000 units shut down last week?

MR. CHAMBERS: Mr. Speaker, I don't have any numbers at this point in time, but one would certainly anticipate considerable difficulty as a result of cancellation of the MURB program. In my view, Mr. Speaker, the MURB program has been a major factor over the years in creating rental accommodation in Alberta and

across this country. I fail to understand why the federal government would cancel it.

Federal Budget

MR. PAHL: Mr. Speaker, my question is for the Provincial Treasurer. Although the federal hon. Minister of Finance promised no magic in his budget, in my view that doesn't preclude the opportunity for sorcery. Does the minister have an assessment of how the federal budget will affect Alberta's revenues?

MR. HYNDMAN: Mr. Speaker, when all the arithmetic has been done, I think in the near term there would certainly not be any significant positive effect from the federal budget on the Alberta revenue picture. Certainly, I think we all have to deal, with some very real concern, with the cancelling of the tax incentives for risk investors. That is a questionable policy. Of course, it's a national policy, not simply affecting Alberta. But I believe that those steps which work adversely against those who are the doers and the risk investors will not be positive and will probably indirectly cause significantly higher unemployment right across Canada in the coming months.

MRS. CHICHAK: Mr. Speaker, a supplementary. I wonder if the Provincial Treasurer could just expand a little more in his assessment and indicate the kind of impact the budget might have on the Alberta economy as a whole.

MR. HYNDMAN: Mr. Speaker, on balance, although some interest is expressed in the federal budget in perhaps pursuing some aspects of the nine-point economic recovery program of the premiers, on the other hand there is very real concern in this province about the cancellation of what I think have been very effective tax incentive policies for investors. So when it all comes out in the wash, I have some concern as to whether or not the climate for investment will be assisted. In fact, I think it will be harmed by the combination of various measures that have been introduced.

Constitution

MR. R. SPEAKER: Mr. Speaker, my question to the Premier is with regard to the constitutional discussions going on between the Prime Minister and the Premier of Quebec. I understand it's at a distance and sometimes face to face. The Prime Minister has suggested two changes with regard to the compensation for provinces that opt out in certain instances and, secondly, with regard to mobility rights. I wonder if the Premier could comment on what affect that has on the accord agreed upon by the nine premiers and the Prime Minister at the present time.

MR. LOUGHEED: Mr. Speaker, discussions have been ongoing today with regard to that matter. Quite obviously, as I explained in the Legislature on November 6, the position of the province of Alberta was that the amending formula which was eventually part of the accord was the amending formula this province had been seeking for some period of time. In the process of discussions with other provinces, we had agreed to an alteration to that amending formula by providing for compensation by way of revenues from the federal government in the event a province opted out under the provisions of that amending

formula. We did not seek that as part of the proposed Alberta formula, which is now part of the constitutional accord, but neither did we object to it.

As a result of efforts which I made, and that others have been making, to try to have the province of Quebec, through its government, participate in this accord, in my view it certainly would be in order, subject to the concurrence of all the provincial governments involved, to have an alteration of the accord — at least we would accept it in principle — that would provide for compensation in certain specified cases by way of opting out. If that was required in order to encourage the government of the province of Quebec to join in the constitutional accord, I think that would be very positive for Canadian unity.

The second aspect the hon. Leader of the Opposition raised had to do with mobility rights. I believe I reported to the Legislature on November 6 that during the course of our deliberations and discussions, I attempted to suggest by way of a compromise that for those provinces such as Newfoundland, that were concerned with the strictness of the mobility rights provision proposed by the Prime Minister, there might be a way in which a qualification could be made to protect the province of Newfoundland in the event they had a high degree of unemployment, well above the national average. Part of the discussions we had with the province of Quebec on November 5 was that if they had a particular concern in this area, it would seem possible to me for the same concerns expressed by Newfoundland with regard to the strictness of the mobility rights provisions to be met by virtue of negotiation and discussions with the province of Quebec. Speaking for the government of Alberta, in both those cases we would be prepared to amend and alter the accord in the hope that it might encourage Quebec to participate, which we believe, and I'm sure the hon. Leader of the Opposition and others would agree, would be in the best interests of Canada.

Utilities Legislation

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Utilities and Telephones. It flows from the introduction of the Bill today and the release that accompanied it. The release indicated that the goal will be to provide "a basic and fair wholesale power rate to all Alberta consumers". But does "basic and fair wholesale power rate" mean there will be a consistent rate? What will the variation be in the final rates to consumers? I understand distribution costs are going to be added on. In the more remote parts of the province, these costs are going to be substantial. What will the rate inequities to the consumer be, that the government has calculated notwithstanding this proposal? I'm talking about rate inequities to the consumer, not the wholesale rate.

MR. SPEAKER: May I respectfully suggest to the hon. member that what he is now raising could be very adequately raised in debate of the Bill, possibly at the committee stage.

MR. NOTLEY: Mr. Speaker, I think the question is just a matter of public interest at this stage. We've had the introduction of the Bill. The question is: does the minister have any statistics he can share with the House at this point?

MR. SPEAKER: It's no question that the matter is of current interest. Still, if we're going to start raising questions — and other hon. members would have the same right to ask questions on the same topic — I'm quite sure we're going to get into the area of dealing with the Bill. That should be done when the Bill comes up for discussion.

The hon. member is aware of the time-honored parliamentary rule concerning anticipation. While that doesn't apply to everything on the Order Paper, it does apply to items which are almost certain to be reached.

MR. NOTLEY: Mr. Speaker, on a point of order. Certainly that may well be true if we're talking about the details of the Bill. But surely it is not unreasonable, and has frequently been undertaken in this House, that questions have been put to ministers where important Bills have been introduced. While there may well be debate — and that's happened many times, Mr. Speaker, not only with Bills but with other important items in this House — my question very simply to the minister is: what studies has the government completed on this matter, and will these studies be tabled before the Bill is introduced?

MR. SPEAKER: With great respect, the Bill has been introduced. No doubt it is going to come up for second reading. I suggest to the hon. member that we deal with it further at that time.

ORDERS OF THE DAY

head: COMMITTEE OF SUPPLY

[Mr. Appleby in the Chair]

MR. APPLEBY: Could the committee please come to order.

ALBERTA HERITAGE SAVINGS TRUST FUND CAPITAL PROJECTS DIVISION 1982-83 ESTIMATES OF PROPOSED INVESTMENTS

Department of Environment

4 — Land Reclamation

MR. R. SPEAKER: Mr. Chairman, we're on Vote 4, land reclamation? We haven't completed Lesser Slave Lake. If the chairman would like to hold Lesser Slave Lake and go to land reclamation . . .

MR. CHAIRMAN: Vote 4 was held, I believe.

MR. R. SPEAKER: That's correct.

5 — Lesser Slave Lake Outlet

MR. R. SPEAKER: Mr. Chairman, one area we didn't completely explore with regard to the Lesser Slave Lake project was the Department of Environment internally. I started on it one evening, and we didn't complete it. Before me I have the staff establishment of the Department of Environment. I wonder if the minister could comment on that in terms of where the Heritage Savings Trust Fund accountability occurs. As I look over the

Department of Environment, I don't see anyone designated as responsible for that particular area. I wonder if the minister could indicate what people look after it.

Under this vote, we're talking about \$1 million. Just for this year, we're looking at land reclamation, \$5 million; Paddle [River], \$11 million. We're looking at \$16 million to be administered by the department or added to its budget. As I indicated to the Minister of Energy and Natural Resources, some \$54 million was to be approved, which is a significant part of his budget, but no real structure to show administrative accountability. I wonder if the minister could just comment on that and indicate how the department is structured to meet that need.

MR. COOKSON: Mr. Chairman, some of this was touched on in earlier discussions. Perhaps I can update the administrative procedure for the Leader of the Opposition, which will involve the expenditure of a \$1,060,000 in 1982-83. As I think I said at an earlier time, in some cases we have our own project manager for administration. In some cases, the work is pretty well done internally by the department staff themselves.

In this particular case, we have input from several other departments involved with the expenditure, such as Public Lands and Wildlife, and Recreation and Parks. These departments assist us in monitoring and evaluation. Of course we have the local advisory committee, which was mentioned in earlier discussions. Meetings are held on occasion, and feedback is obtained. We have a committee directed by a project manager which deals with matters of public concern, project guidelines, and the environmental impact assessment. All the detailed engineering design for the work being done on the Slave Lake drainage project is under the direction of the Alberta Environment staff, specifically a project manager.

The first stage of the project was tendered for cutoffs four, five, six, and eight. They were completed by contract during the fall and winter of 1980-81 under Alberta Environment staff. Of course, subsequent tenders will complete the cutoff excavation, install a low-level weir, and landscape the spoil banks. Some of the work may be completed by rental of equipment from private contractors. What would or would not be required is all pretty well laid out during the tendering process. The progress of the work is monitored on the site by a resident Environment inspector. He submits regular progress reports to the project manager. The major portion of the work will be completed within a specified time frame, and we hold back a percentage to ensure completion and payment of workers and subcontractors. Once the project is completed, the operations and maintenance branch of the department will be responsible for maintenance of the cutoffs, including any erosion protection which may be required. That's essentially the way the project is being administered.

MR. R. SPEAKER: Mr. Chairman, were any staff added to the department to take care of this new responsibility of extra expenditure? If so, do you take on staff on short-term contracts so when the project is finished they can go on to other work and are not part of the permanent staff establishment of the department? Are any adjustments such as that necessary, or was there enough cushion in the administration that the new assignment could be delegated to persons permanently on staff?

MR. COOKSON: Mr. Chairman, I think most of the work is being managed by the department. When one looks at the breakdown in the estimates, there's no manpower figure for 1982-83. In '81-82, we had \$40,000. So basically all the work is being done through our own department, and we find that we're able to do it. It's not a major project comparable, for example, to the Dickson dam project or the Paddle River. So it's my understanding that no variation in the positions is required. They'll simply flow back into other projects as this one is completed.

MR. R. SPEAKER: Mr. Chairman, the other question we didn't complete was with regard to management documents or letters from the Auditor General to the department. I wonder if the minister has had a chance to check whether any letters were directed to the deputy minister. Were there some concerns with regard to administrative procedures being used to monitor the expenditure at the field level and any changes made with regard to administration?

MR. COOKSON: No, Mr. Chairman, I have no knowledge of any "management documents" that have come back to the department. However, if they did come back, they would be dealt with forthwith by the department. It's an internal decision, and we respond to it. Naturally, if we don't respond it's picked up another time and referred to again by the Auditor General. So even if they were coming back and forth, it's not anything that would be public information but simply the due responsibility of the Auditor General checking.

MR. R. SPEAKER: Mr. Chairman, I think one of the questions at hand at the present time is whether those documents can be made public. From the answer, I gather that the minister has not made a direct check with the deputy of the department to see if any management letters have been directed to the deputy minister. Could the minister confirm that he has made the necessary checks to see whether any management letters have been received and that any changes in procedures have or have not been made? Can the minister say with authority that he has made that check? I felt there was a little hesitation in the response of the minister.

MR. COOKSON: I don't know what the relevance is. I think the Provincial Treasurer made it clear that this dialogue between the Auditor General and the departments is internal policy. Perhaps if the member wishes to hold up the vote for a very short period of time, I can give a categorical yes or no. If it is yes, however, it doesn't change the procedure carried on within the department.

MR. R. SPEAKER: Mr. Chairman, I think questioning should continue. As far as I'm concerned, that information is very relevant in my job to hold the government accountable for what it is going. At the end of questions today, I think we should hold this vote and proceed to another one of the Department of Environment if we find we run out of questions. But I don't want to see the questions on this vote terminated at this point until we've exhausted ...

MR. CHAIRMAN: The minister has indicated he will try to obtain that information. Possibly we could go on to other people wanting to ask questions.

MR. NOTLEY: Mr. Chairman, I'd like to deal with several questions on the Lesser Slave Lake Regulation: Environmental Impact Assessment. I want to deal with questions pertaining to the study undertaken by Co-West Associates on the impact of the project on the communities in the Lesser Slave Lake region. There'll be some supplementary questions from it, but just to put the main question to the minister. In the different areas reviewed, I note that approximately 100 people residing near Lesser Slave Lake were interviewed. For example, in the Lesser Slave River project area, six respondents indicated that there was a reported loss of agricultural land, difficulties in obtaining hay, difficulty in obtaining access to land, extra work involved in attending herds, heavy insect infestations, and poor harvest of muskrats: these were the problems because of the water levels. In the Slave Lake-Marten River area, 32 respondents; the south shore, 40; the west end, 17 — at this point I won't go into a detailed, region by region assessment.

In terms of this sort of review, Mr. Chairman, on what basis were people selected? It would appear that at least some of the major recommendations that led to the project came from these interviews. What was the basis on which people were chosen? Was it a random sampling? What was the breakdown between communities? My understanding is that we had this committee. The minister talked at some length about the committee established. What role did it have in determining the selection, if you like, of respondents?

MR. COOKSON: Mr. Chairman, normally in the case of our environmental impact assessments, we hold them through a public meeting process. Individuals who have an interest in the project come forth. It's on the basis of that procedure. As I understand it, it's not simply picking up the telephone book and selecting certain individuals to come before a private discussion of any nature. It's a very public process. Individuals are entitled to make their submission on the basis of how they feel about a project of this nature.

In earlier discussions, I think we reviewed pretty thoroughly how long this goes back. It goes back to the '20s, when recommendations were made for something to be done by government to improve the situation. I'd have to check to see if the Environment Conservation Authority held their own public meetings as part of the process. I know they did in the case of the Paddle River project. I believe they also did in the Lesser Slave case, but I should check that. So it's a two-pronged process. First of all, it's based on public hearings, in this case by the Conservation Authority; and secondly, our own detailed environmental impact assessment process regarding environmental and social matters.

While I'm on my feet, to the Leader of the Opposition: no "management letter" — in quotation marks because I'm not sure about that terminology — came forth with regard to the Lesser Slave Lake project.

MR. NOTLEY: Mr. Chairman, might I just follow up the question. Mr. Minister, the question really relates to page 76 of the Lesser Slave Lake Regulation Environmental Impact Assessment. That's a summary report. I gather that Co-West Associates were given a consulting contract by the Department of Environment to obtain community input. Perhaps I'm wrong, but as I read this document it seems to me that it wasn't a case of public meetings, as the minister suggested. It says:

During the study, rural residents and residents often

communities and five Indian Reserves were contacted. In all, approximately 100 people residing near Lesser Slave Lake and in the project area were interviewed. Responses were divided by region of residence.

Then it goes into an outline of the communities that made up the study.

I certainly think the idea of public meetings or public hearings of some form in a given area is appropriate, Mr. Chairman. But in reading over this report, I was interested that this is obviously not a matter of public meetings but of people who have been contacted. Now, there has to be some rationale on which Co-West Associates did it. We obviously paid them money for doing it; it's part of the project. Just looking it over, it seems as if there's a concentration on certain areas. I'm doing my own review as to whether or not those areas coincide with the balance of population along the Lesser Slave Lake area itself.

Mr. Chairman, my interest is that there had to be some rationale. We obviously had to use a population base, or was it just a case of sending out letters? It was not public meetings, which the minister indicated would be the most appropriate way because then those people who have a direct interest would come out. Fair enough. Those who are interested are there and can express their concerns. I think that's totally appropriate. But obviously some other method was used in this case, and I'd like to know what that method was; also, since this would undoubtedly be charged to the project, whether or not the minister has any figures on the cost of this particular contract. With great respect, I'm not sure to what extent we should be taking on private consultants to obtain information which would come through the advisory committee in any event, particularly if properly constituted public meetings were held.

I look at the different designated areas here. The south shore:

The respondents saw flooding as a major problem resulting in serious agricultural losses for Indian Reserve and non-Reserve farmland . . .

That's something we've known for a long time.

. . . serious damage to beaches and related facilities and to recreation areas, reduced tourism, some fish and muskrat damage, cottage damage, and general economic decline.

That's something that has been part of our concern about the Lesser Slave Lake area for as long as I've been in this House, and many, many years before that.

Mr. Chairman, I guess I'm saying to the minister that I'd like a little more information about some of these private consultants being engaged to do community assessments, on what basis or rationale they do the assessments, and the costs. It seems to me that the information the minister gave us the other day was that we had already set up the kind of framework where, with this committee established, there could be the assessment of community reaction and we didn't need a private consultant coming in. But I would like to know the cost of the Co-West Associates contract.

MR. COOKSON: Mr. Chairman, the member is again really getting into something totally unrelated to the '82-'83 estimate before us. If one follows through the precedent set here earlier, that it's acceptable to wander all over the map in terms of procedures, that makes it very difficult for me. I have before me the vote we're dealing with, and the request is to go back to other years.

In fact, in this case it would go back to before I was Minister of Environment, and it was dealt with by another minister.

In the case of consultants, the normal procedure is to employ them on a contract basis to do studies. In that respect, they have their own special fee. In the case of the profession of engineers, they set their own fee for the hours they spend, and so forth. Quite clearly, those costs are not in the '82-83 estimates because it happened in the past. I'm not even sure whether they would be in the '81-82 estimates. I have some information coming, and there may be some other questions while I collect this. I want to be sure the member isn't misleading us in any way insofar as other procedures that were carried on and in terms of the terms of reference in that particular manual. It may spell out the type of sampling that took place in order to arrive at the response.

I think I can say in a general way that I've had very little, if any, negative response to the project. I'm not sure whether the member is implying that now that the project is started, there was some impropriety in the way the studies were done. Perhaps the member can assure me that that is not the intent of the questioning. The general feedback I've had since being involved with the project is that it's extremely positive, I think the member would agree with me on that. Not only is it positive, but we've been able to save the people of the province considerable funds from the original cost estimate, based on some further statistical data. So it's a bit of folly to question how the process was handled when we know that from about 1920 on there was simply overwhelming support on the part of the people in the area to get on with the project. We went through a long period of time when the province either didn't have the money or had other priorities.

Perhaps the member can refer to the project he's dealing with. Is it Volume 1?

MR. NOTLEY: Yes, page 76.

MR. COOKSON: As I understand the Lesser Slave Lake Regulation: Environmental Impact Assessment, the document is Volume I of I don't know how many reports. The main report is prepared by the planning services branch of the planning division of Alberta Environment. That's the April 1980 document.

The letter at the front is from my assistant deputy to the assistant deputy minister dealing with environmental co-ordination services and with the environmental impact assessment:

We have the pleasure to transmit to you this report entitled "Lesser Slave Lake Regulation ..."

This report describes the technical studies carried out and provides an assessment of the environmental impact of regulating Lesser Slave Lake and of two alternatives for accomplishing the regulation. The alternatives are a canal and weir or a weir and river cutoffs on the Lesser Slave River.

The conclusion is that, on most counts, the project will have a positive environmental impact. However, [some] negative impacts of a ... nature may occur to the fauna habitat in the area as wetlands, primarily occurring in the Buffalo Bay area, are drained to accommodate agricultural intensification. Other less serious negative impacts will occur in the linear disturbance area.

It goes on to refer to the alternative method of lake regulation.

[This assessment] has been subject to an extensive inter-departmental review ...

So it has had substantial review within the department. That's Volume 1 of the main report.

Then there's Volume 2, which again is done by the environmental planning division. In much of our work, we do ask for consultants to put together documents, and Volume 2 is an engineering report. It was prepared by the planning services branch of the planning division of Alberta Environment. Volume 3 deals with the land-use impact studies. It was prepared by Northwest Hydraulic Consultants Ltd., and deals with land-use problems.

[Mr. Purdy in the Chair]

If you want an idea of the thoroughness with which the department pursued the matter, Volume 4 is a fisheries impact study, which I think the Member for Clover Bar raised. That was a contract report put together by R L & L Environmental Services Ltd. Volume 5 was done pretty well by our own department. It deals with vegetation and wildlife impact studies, and that's usually interdepartmental. Last but not least, Volume 6 was done by Diana French, Archaeological Heritage Consultants Ltd. That was prepared for the Department of Environment to deal with the social impact studies in the area. So there's lots of documentation if anyone wants to take the time to go through it all.

I don't know whether it has helped the member to understand the procedure, but basically we do employ consultants. We question the procedures and so on pretty carefully as part of the contract with them.

MR. NOTLEY: I just want to back up and respond to a couple of comments the minister made. Certainly, I've already indicated my support for the project. I don't think there's any doubt about that. It's a project that will be useful for the people in the area. That really isn't the issue. The issue is the process that led the government to make the commitment and, in my judgment, the steps that preceded the decision to proceed.

Mr. Minister, I'm well aware of the fact that consultants are engaged, and I can understand the decision of the department to engage engineering firms or people who have technical expertise in terms of fleshing out the necessary information or data base that the government would have to acquire before committing substantial sums of public money. What I am not so sure about is the value of bringing in private consultants to do opinion analysis, essentially. I really have some doubt about that, and that's the reason I specifically raised the question of Co-West. Incidentally, their report is in Volume 6 of the environmental impact assessment you referred to.

Mr. Chairman, the reason I raise it is that the minister, in his responses and the discussion of this particular vote, the Member for Lesser Slave Lake, and other members on the committee who have addressed the subject, have brought up all the reasons which are contained in this so-called public opinion evaluation. When you have an advisory committee set up in the first place which would surely have the calling of public meetings as its mandate, I just wonder why it would be in anybody's interest to hire a firm to do a public opinion poll. With great respect, it seems to me that's what Co-West did. It didn't hold public meetings. We have six respondents in the Lesser Slave River project area, 32 respondents in the Slave Lake-Marten River area, 40 respondents in the south shore, 17 respondents in the west end. Mr. Minis-

ter, the things they've summarized are things people would have told the minister had he been minister in 1921; he went back that far.

So I want to make it very clear: when it comes to engaging consultants for technical work, that's fine. I think the department should be doing that. But when you get into this business of monitoring public opinion, if you like, why should we engage a private consultant when we already have a mechanism, which the minister alluded to, which would get the same information, when we have a member of the Legislature from that area, when we have local officials, to tell us what is self-evident? The west end: 17 respondents. People in this area considered flooding could cause serious agricultural losses and cutback, poor muskrat trapping, and lakeshore deterioration. Well, that's true; no question that that's an accurate assessment. But we don't need a private consultant to tell us that at public expense. The south shore: the respondents saw flooding as a major problem, resulting in serious agricultural losses. Again, there's no question about that. Any of us who have been in the area would be able to testify to that kind of information. I remember not only the current Member for Lesser Slave Lake but the former Member for Lesser Slave Lake speaking in this House on the very same issue.

What I'm getting at in this question I'm addressing at the moment is not just the issue of this project but what the policy is when it comes to engaging private consultants to do subjective evaluation of public opinion. I just say to you, Mr. Minister, that through the Environment Council of Alberta and the community-based committee that was set up, that you alluded to when the committee last met — it really was unnecessary to bring in a group of private consultants to do a public opinion poll, or whatever it was. That's why I want to know the cost to the taxpayers of this kind of study.

I well remember some criticisms of the Human Resources Research Council and the hon. minister's former colleague Helen Hunley, when she was in charge for a brief time of the Human Resources Research Council, coming before the Legislature and quite correctly pointing out that some research on public opinion was just a waste of the taxpayers' money because there were other ways to get that information. I know consultant firms are established to do this sort of thing. But I really would question whether it's necessary when for generations the overwhelming view of people in the area has been: let's get on with the project. For some time we've known everything contained in pages 76 to about 80. So why should we go to a private consultant and pay good taxpayers' money to let him tell us something we already know?

MR. COOKSON: I guess we'd have to go back some time to determine the cost of the study. First of all, Mr. Chairman, the Environment Council of Alberta was not involved in the hearing, so we don't have that duplication. The point the member makes is that there is some duplication between the advisory committee that was struck and the consultant work that was done. I don't agree with that observation. The consultant's study was basically done to determine whether or not the government should proceed with the project. Subsequently, the advisory committee we mentioned earlier was put together primarily to give advice as we proceed. It's an ongoing advisory committee whereas the consultant's work starts and ends.

So there is quite a distinction between the two. One is

really designed, I think, to initiate the need for such a project. The other, while it's generally supportive — although not all advisory committees are; I know of cases where they have distinctly different views — gives a broad view to Environment as to areas where we can change, shift, or improve. There's no question that some of their input would have been of value in changing the design of the original project.

I don't agree with the comment that the consultants do a sort of public relations job when they review on the basis of different respondents. I quote some responses that came back on that study:

In general, lowering the lake level was viewed by the majority of respondents, regardless of region of residence, as a positive step to correct the difficulties cited as being part of their present environment. A number of people qualified their answers by noting "if the project works as planned." . . . six per cent of the respondents were completely unfavourable toward the project.

So it wasn't selecting.

I can cite other instances. For example:

However, it was noted that the major landowner in the area would be hurt by having his land and operations cut up into several pieces. Other concerns included the continued flooding from the Lesser Slave River until the project was finished, and the lake stabilized, the risk of draining Muskeg Lake, the loss of a marina at the mouth of the river, a possible loss of sand beach areas . . . and formation of another beachhead creating a marsh with undesirable growth

Concerns were expressed that road access to some parcels might be cut off around Cut-offs D-2 and D-4, water would be lost to some lands because of dry oxbows, some erosions would be experienced in the cuts and along the river, erosion might damage the road and bridge near Cut-off D-8, there would be increased flooding below the last cut-off [D-8], and there would be a decrease in land values for parcels with cut-offs.

I could go on. All that is documented in the main report as to the environmental impact assessment.

So to answer the member's question, there was no duplication insofar as the Environment Council is concerned, because they weren't involved. There's a distinct difference between the advisory committee's responsibilities and the consultant's. I think the question was the cost of the consultant's document. I might be able to get that for the member. It takes us back some two years. I think we have to go to '79 to get that kind of information.

MR. NOTLEY: Mr. Chairman, I want to make it clear that I have no quarrel with the work of the advisory committee. I think the advisory committee has done an excellent job and, I gather from discussion in this committee last week, produced information and proposals which allowed the department to save some funds. I think the work of the advisory committee is to be commended.

My question doesn't really relate even to the use of consultants. I don't think any member of this committee would deny the minister the authority, in designing a project of this kind, to acquire consultants who have expertise in a necessary area. Certainly engineering expertise is going to be an obvious area that would involve the use of private consultants as well as departmental personnel. However, the point I'm making doesn't relate to that kind of contract, where you're engaging an engineer-

ing firm to do an assessment of whether we have a cutoff here or there or what the flow would be on the outlet as a result of it, but to the use of these social consulting firms to do an evaluation of public opinion. Frankly, I wanted the cost because there is not a single thing in this survey that could not have been obtained by the department if it held a public meeting:

In general, lowering of the lake level was viewed by the majority of respondents, regardless of region of residence, as a positive step . . .

That's true. That would have been true in 1970, in 1960, in 1920. Only 6 per cent of the respondents were completely unfavorable. Well, if you had had a public meeting, those people would have come out and expressed their concern about the possible undesirable effects on wildlife. Mr. Minister, the kind of information we apparently received from this private consultant was, in my judgment, self-evident.

Since we had the advisory committee made up of people drawn from the community, it struck me that the minister's initial response, that where a project like this in undertaken you have a series of public meetings, is the proper course to follow. That is the way to evaluate public opinion. People who care enough and are interested enough will come out, offer their views, and make submissions. I really question how valuable it is. I don't want to dwell on this, other than to make the point that as we plan future capital works projects, we have to be very careful about getting consultants to do public opinion evaluation.

I really have some doubts, at least in this instance, about how valuable it is. That's the reason I asked for the total cost. If the firm asked us for a fair amount of money, let me tell you I would certainly want to register my own objection, because to my recollection the information contained here has been presented almost word for word at various times in this House over the last decade. I've had people come out to several meetings I've held over the last years in the Lesser Slave Lake area and make every one of these points — all supportive, incidentally, of a project of this nature. That's why I'm rather astonished that we would hire a social engineering consulting firm to do what looks to me like not too much more than a glorified public opinion poll.

I think there is an awful lot of argument that if you have a project of this nature, you go through properly constituted public hearings, whether conducted by the Environment Council of Alberta — in this case, the minister said it wasn't — or by an advisory committee set up to do the job. Interested people will come out; they will offer their views. You'll get the input from local people who care enough to take the time to come. In my view, we don't need a group of Edmonton or Calgary consultants coming in and doing a public opinion poll. The lesson I see from this particular project is that if it's costly, maybe we'd better be careful before we do this sort of thing again.

MR. COOKSON: It was not a costly contract. It was \$22,700, which is not a big deal for most studies. Mr. Chairman, the methodology is laid out in Volume 6, dealing with social impact studies. The procedures on the meetings and interview are laid out within the procedure. The interviewing included a meeting with the members of the Lesser Slave Lake advisory committee, to check out the research approach and interview schedule. It was laid out pretty well in the review.

MR. SINDLINGER: Mr. Chairman, earlier the minister referred to a letter from Assistant Deputy Minister Peter G. Melnychuk, professional engineer, to H. W. Thiessen, Assistant Deputy Minister, environmental co-ordination services. It's not dated, nor is a file reference given to it, so I can't be more specific than that. It occurs in Volume 1, the main report of the Lesser Slave Lake Regulation: Environmental Impact Assessment. The line the minister referred to, that I would like to ask the minister about is:

The conclusion is that, on most counts, the project will have a positive environmental impact. However, potential negative impacts of a fairly serious nature may occur to the fauna habitat in the area as wetlands, primarily occurring in the Buffalo Bay area, are drained to accommodate agricultural intensification.

My question to the minister is: can he identify some of these potential negative impacts of a fairly serious nature?

MR. COOKSON: Mr. Chairman, I think we touched on this in our discussions before. If the member is familiar with the geography of the area, Buffalo Bay is a substantially large area considered fairly important for fisheries. At the time of the joint studies with departments, we're still not clear as to the possible impact on the fishery. That's the reason — I think this was mentioned before — that as a wind-down of the total project, we will be doing further detailed studies on the fishery potential of that area.

I've had a chance to fly over and view the other area the deputy referred to. I support the original concept, which is to slow down the incoming rivers in such a way that the silt settles in that huge delta area. It's done by nature over a long period of time. The Fraser is an example of a delta into the ocean. I suppose many of the rivers that eventually flow into the ocean have these huge delta areas, where the rivers slow down, especially if they are picking up a large amount of silt, and this will be deposited in the area.

The work done was designed in a way perhaps to speed up this process. Some dredging was done in earlier years to change the course manually. That river has to subsequently find its way through this huge delta area and eventually into Lesser Slave Lake, the idea being that over a long period of time it will build up the delta and subsequently improve the agricultural areas. It's very difficult, even for engineers, to predict what's going to happen in this process. That was probably flagged in the correspondence, when it is mentioned that:

. . . potential negative impacts of a fairly serious nature may occur to the fauna habitat . . . [which deals with the fish problem] primarily occurring in the Buffalo Bay area, are drained to accommodate agricultural intensification. Other less serious negative impacts will occur in the linear disturbance area.

In general, he is referring to that and to the fact that we have to go in on the down-side and put those capsals through. That causes some risk with regard to erosion, which we'll have to watch. Over a long period of time, most rivers tend to meander back and forth. Nature seems to select that as the best way, by its very nature, to minimize the speed. When one starts running through straight cutoffs, one tends to increase the velocity. Interfering with that process, one has to be fairly careful one doesn't increase the erosion potential.

MR. SINDLINGER: Mr. Chairman, I understand there will be some sort of monitoring with regard to the dele-

rious impact on the fauna habitat. Perhaps the minister might be a little more specific and indicate what that monitoring will be and, secondly, the anticipated cost. In other terms, has any money been set aside or specifically allocated to monitor the impact on the fauna habitat? I suppose the question finally would be: what would be the source of those funds? Would it be intended that they come from the heritage fund as well, or would they come from the General Revenue Fund in the department's estimates?

MR. COOKSON: Perhaps it will take a minute or two to find the answers to those questions. I think the projection for '82-83 includes some work with regard to the problem in the Buffalo Lake area. We have budget implications for future years and projections on positions and man-years required to maintain the project. For example, we have a projection of \$260,000 in capital expenditure in '83-84. A projection for design and construction is about \$250,000 for '83-84. Nothing is projected for planning in '83-84. Part of the \$200,000 for manpower for '82-83 will include fish habitat studies at the west end of the lake. I think that was mentioned before. There will also be studies on any mitigation measures and on the siltation potential of the Buffalo Lake area. That will be included in the portion of the expenditure this coming year. Nothing is projected for land assembly in '83-84. Technical services — again, we're going beyond the terms of reference of the committee — we're looking at a \$10,000 capital expenditure in '83-84, and some further survey work; nothing on river engineering. Essentially, following this coming year's budget, those are projections of what we think we need.

The question was asked about where funds for maintenance will come from once a project is totally completed. At this time, we estimate that maintenance will be very minimal. However, once the project is completed, that's the end of funding through the heritage savings trust, which is primarily designed for capital. Once that's completed, any maintenance work would come out of the general revenue of the Department of Environment.

MR. SINDLINGER: I know you've touched on this briefly before, Mr. Chairman, but with this information I'm not too certain where we stand in terms of project completion date. Could the minister indicate where we are in terms of completion of the project? Are we near completion, or does the minister anticipate completion within the next year? Secondly, what is the anticipated total cost at the completion date? Then I might ask again the separation between the total anticipated cost for the project that will come from the heritage fund and the additional costs that would come from the General Revenue Fund.

MR. COOKSON: Again, the member's going far beyond the approval of the estimate for '82-83. I can give him the description of progress to March 31, 1981. First of all, the cutoffs were designed, and cutoffs four, five, six, and eight were constructed by contract. The progress expected in '81-82 included landscaping of spoil piles from winter construction; tender and construction cutoffs two, three, and seven once land negotiations are completed; and design of the low-level weir. These are now in progress. The progress expected in '82-83 is to landscape and seed spoil piles from previous construction, tender and construction of the low-level weir with cutoff number one, and evaluation of the effects of changing water levels on a critical fish-breeding area in Buffalo Bay. So we're getting

pretty well down to completion.

In terms of expenditures on the project, we had actual expenditures of \$1.162 million from '76 to '81; in '81-82, we forecast \$1.929 million. We estimate \$1.06 million for '82-83, and we project about \$260,000 for '83-84. So one can see by those figures that once we complete '82-83, essentially we're on the wind-down.

MR. SINDLINGER: Mr. Chairman, I just want to assure the minister that I don't believe we're going far beyond the approval of the estimates when we ask for the total cost of the project. Indeed, the Auditor General has said that when we get into this committee on the estimates, the total cost of the estimate ought to be one of our prime responsibilities. In that regard, the Auditor General said that not only should we know the total completed cost, but the original estimated costs, what changes in scope occurred over the life of the project, cost revisions, and things of that nature. When we vote on estimates, I believe it's imperative that we know specifically what we're voting on; that is, what obligations or encumbrances were undertaken when we initially undertake a project.

I'd like to go back to this Lesser Slave Lake Regulation: Environmental Impact Assessment, if I could please. At an earlier point in the consideration of this estimate, I recall we talked about the cost/benefit impact studies that had been done. The minister indicated at the time that there hadn't been any done, that the cost/benefit impact studies didn't warrant doing the work. However, in subsequent discussion of this estimate, we now find that this environmental impact assessment has been completed. It seems to be comprehensive; in any case, it's voluminous. I think we have six inches of report. Reference is made in it to a report done by Hu Harries in regard to cost benefit for the project. Although I've been able to track down these environmental impact assessment studies, I've been unable to get a copy of the Hu Harries report. We tried through the library, and the library for the Department of Environment. We've also requested one from the minister's office, and we haven't been able to get it.

Pending receipt of that report on the cost benefits of the project, I'd like to make some more references to this environmental impact assessment. When we began considering this project and when we've looked at the other projects, more often than not all members have said that these are worth-while projects and have a great deal of merit in their own right. I've said that about this project as well, and it's been said many times over by others and the minister too. But earlier this afternoon the question was being raised, are we second guessing the need for this type of project? Until those comments were made, I really hadn't. I had just taken for granted that this was a project that required doing. But when I look at this environmental impact assessment, first of all we dealt with the interdepartmental memorandum that said the potential negative impacts could be of a fairly serious nature in regard to the fauna habitat. I started to look further and see what other reservations there might be in this particular report.

In regard to the purchasing of land in the area — and I understand about 30,000 acres of land will no longer be subjected to the threat of flooding, and another potential 30,000 acres of land will have the risk minimized. It's noted in this report that most of that land is Indian land, and there's the difficulty in bringing that into what is termed the benefit/cost ratio in the assessment of the program. In regard to the provincial government purchas-

ing the land — and it's noted that most of the land is leased back to the farmers of the area — on page 2 the report says:

The policy of purchasing land has not been favourably regarded by some of the area residents. They do not see it as a solution to the problem because it does not increase the productive capability of the land. As well, much of the affected area is Indian land and is ineligible for purchase.

When we were talking about the public meetings that were held earlier, it was said that most residents of the area were desirous of seeing the project completed. However, this is a direct contradiction of that. It says it was "not favourably regarded" by some area residents, and they "do not see it as a solution to the problem".

Furthermore, the report goes on to talk about how long it would take before there were any tangible benefits resulting from this project. One of the options considered — and it doesn't identify the others — says that if this project were undertaken, it would take approximately 100 years to have any effect on lake levels. That's quite a long time. I wonder if the minister might comment on the final alternative selected and when the minister might expect to see some positive results from that.

What is perhaps of more concern, if we are to look back on this a little more, is the cost/benefit analysis of the project. I indicated earlier that initially, before undertaking the project, the minister felt it didn't warrant doing the work for a cost/benefit analysis. Nevertheless, subsequently cost/benefit ratios were developed by Hu Harries and Associates. I'm kind of concerned about the cost/benefit ratios. It shows that for a continuation of the land purchase policy, the cost/benefit ratio — I should correct that: it's not the cost/benefit ratio, it's the benefit/cost ratio; that is, the benefits that could be expected to accrue from the project. In this case, I suppose it's both direct and indirect benefits: those accruing to the residents of the area and the productive capacity of the land which would be saved from flooding, and the indirect benefits in regard to the construction costs that are spread throughout the area and the tax base created through the preservation of that agricultural land.

[Mr. Appleby in the Chair]

In regard to the continuation of the land purchase policy, the benefit/cost ratio is 0.045. That says to me that the costs of this project far outdistance the benefits. Anything that would have a one to one ratio for benefits and costs would indicate that the benefits that would accrue from the project would at least equal the costs. However, in this case the benefit/cost ratio is only 0.045. The benefits don't even come close to matching the costs.

There is another benefit/cost ratio in this project as well. In this case, the benefit/cost ratio for the outlet canal and control is only slightly higher: 0.05. It still hasn't exceeded one. In both cases, we have a situation where the benefits that will result from this project are very slight. That was from the Hu Harries' study, but that conclusion is compatible with the study done by the Montreal Engineering Company. It says here that they also did a cost/benefit analysis. So we have two cost/benefit analyses on this particular project. I said it was done by Montreal Engineering, but I'm mistaken. It was done concurrently, while Montreal Engineering was conducting its study. The second cost/benefit analysis I'm referring to was carried out by the economics division of the Alberta Department of Agriculture.

I quote again from this environmental impact assessment, where it says that the cost/benefit analysis carried out by the economics division of the Alberta Department of Agriculture concludes that: "tangible benefits of the regulation scheme were less than the costs". We have two studies done, one in-house by the Department of Agriculture and the other one outside by Hu Harries and Associates. In both cases, the indication is that the benefits that will result from undertaking this project would be much less than the costs incurred doing it.

I have to wonder about this some more when we look back through the transcripts and discuss what we would expect to get from this. Certainly, we talk about stabilizing the water levels, stopping the flooding of 30,000 acres, and minimizing the risk of flooding on another 30,000 acres. But when the report says that some of the area residents did not think it was a favorable solution, when we look at one benefit/cost study by Hu Harries, an outside assessment, indicating that the benefit/cost ratio is 0.045 and 0.05, when we look at the economics division of the Alberta Department of Agriculture and their conclusion that tangible benefits of the regulation scheme were less than the cost, perhaps we better stop and say, should we have undertaken this project in the first place? Certainly on the surface it seems that would be the case. But it may be that we're in one of those situations where another course of action would be more desirable.

One time we were standing talking about one of the minister's other estimates. I can't recall the numbers completely, but I seem to recall the number \$60 million, although that's a common number these days and might just be dominant in my mind. The question was asked, how many farmers or landowners will benefit from this?

We didn't have an immediate response to that, and I'm not sure if we ever got one. To use an extreme illustration, if only one family benefited from the expenditure for a \$60 million project, perhaps it might have been more beneficial to give that family \$30 million and ask them to go away. We would have saved \$30 million.

That's just an extreme illustration to make the point, but the point is applicable here as well when we ask what we're getting from this if we do in fact make the expenditure. We made the expenditure, and ostensibly we're going to preserve the agricultural productivity of 30,000 acres and minimize the risk of flooding on an additional 30,000. But we have to ask, is that the tangible benefit we will receive from this project? We put that question for two reasons. First, this report says that much of the affected area is Indian land and is ineligible for these things in any case. Secondly, we're not too sure about the productive capacity of the soil.

I refer now to *Alberta Hansard* of October 28, 1981. In response to a question from Mr. R. Speaker, the minister addresses this question. First, he outlined the objective in undertaking the project: to minimize flooding. He talked about the drainage on the east end and the delta on the west end. The minister indicated that he had the opportunity to fly over the area and observe first-hand what had been going on. Again, he identified that. The key point was that the minister talked about high siltation in the area and how to deal with that massive amount of silt that flows down from the river system.

The minister went on to talk about the theory behind the original concept, in that it allowed the river system, as it slows, to meander through the area. That was reiterated today by the minister. The minister noted that rivers normally have a mind of their own and take their own

course. They meander and set out convoluted patterns across the plains. The point the minister made was that the delta eventually will be built up and put into production. The minister indicated that the silt build-up could become high enough that agricultural production could be maintained on it. However, the minister also had a reservation about that and indicated that it might be difficult to find much productive silt building up in the delta area, and raised the question of the productivity of the other land that would be protected from flooding or would have the flooding minimized.

Inasmuch as this report, the Hu Harries report, and the report of the Agriculture Department have addressed the question of the benefits, I put the question back directly to the minister. Bearing in mind two things, precisely what are the benefits from this project? First, how much of the 30,000 acres protected from flooding and the 30,000 which will have the flooding risk minimized is productive land, and what will the production be? The second thing I ask the minister to keep in mind when he addresses the question is, how much of that total land is Indian land and therefore not available for purchase by the province and subsequent lease back to the farmers of the area?

It seems to me that some assessment of that should have been made in the past; that is, if we're going to save this land, why are we saving it? If we do save it, what can we produce on the land? If we can produce, how much can we produce? I know we have a concern about the use of agricultural land in the province and a desire to keep prime agricultural land productive. If that's one of our prime concerns in other parts of the province, I think it ought to be here as well.

If I could just conclude on that note and ask the questions: how much of that land is productive, and what is the productivity? Second, how much of the land is available for purchase by the province and subsequent lease back to farmers for production?

MR. COOKSON: Mr. Chairman, that's quite a number of questions. Perhaps I could have the liberty of wandering through the Hu Harries report, and I'll endeavor to answer the member's questions. First, the Hu Harries report is available to anyone who wishes to get the report from the environmental planning division library. For those who aren't familiar with Hu Harries, he is the owner of Hu Harries and Associates Ltd., Economic Consultants. I think the document I have in front of me is very comprehensive. It covers a lot of the area the member was questioning, insofar as approving and proceeding with the project.

The member makes a lot of to-do about cost benefits. It's rather interesting that our own department is one of the few departments in government that has to come up with some kind of cost/benefit study. When I think of the various departments in government, I keep asking myself how many have to respond to a cost/benefit analysis. I guess it behooves us, though, to do the best we can in terms of expenditure by government. If we had taken a cost/benefit study seriously to start with, there probably wouldn't have been any irrigation in the south. I'm sure the member isn't advocating that that should have happened, especially if he has any aspirations in the political field.

I guess that same kind of thing could be applied to a lot of what we do. We have departments spending upward of \$1 billion a year. Hospitals: how do you determine the cost/benefit ratio there, when most of it is

picked up by the provincial government? Social services: how do you analyse the cost benefit of some poor person, handicapped or in need of social assistance? Goodness gracious, if you had to go through a cost/benefit ratio study every time you allocated funds for these kinds of services, we'd all be in real trouble.

I refer to 15-1 of the Hu Harries and Associates document, which deals with the cost/benefit ratio. I'll go through it with the member so he's aware of the study that was done. It is true that it was very difficult to measure the Lesser Slave Lake project in terms of cost benefit. When it was measured, it didn't indicate that it was one on one by any means. I guess that applies to a lot of our projects in government. It's very difficult to evaluate totally. But Harries and Associates — and perhaps I can refer to this section. First of all, the Saulteaux weir is a weir on the Lesser Slave River. The original proposal was to remove this. His conclusion was that this method of influencing the level of Lesser Slave Lake is economic in three out of four possible land-development future water-level scenarios. He estimates the cost of removing that weir at about \$205,000.

The benefit/cost ratio, calculated on the basis of developing additional developable land and a continuing rise in Lake levels, is 2.36. This set of assumptions indicates that an expenditure of up to \$484,000 is economically justified.

The economic analysis indicates that the benefit/cost ratio for ...

MR. CHAIRMAN: Some members indicate they are having problems hearing. Is that correct? I wonder if we could have this second microphone on as well.

MR. COOKSON:

... construction of a weir at the mouth of the Lesser Slave Lake with a canal along the Lesser Slave River, at a cost of \$8.8 million [which was the estimate then], would be less than one in all cases. This method of influencing the level of the Lesser Slave Lake would not be an economic use of ... resources even though it would provide much greater control over the level of Lesser Slave Lake than removal of the Saulteaux Weir.

Now here is a fallacy in the problems with cost benefits. He states quite clearly: "... even though it would provide much greater control over the level of Lesser Slave Lake than removal of the Saulteaux Weir". It appears he didn't include that in his cost/benefit ratio. To me, that is a serious omission, because the whole design of the project was to stabilize the lake.

The benefit/cost ratio to the [province] for continuation of the 1968 Policy is 0.045, which is much lower than the benefit/cost ratio for removal of the Saulteaux Weir. The 1968 Policy does not recognize the realities of not being able to purchase Indian Reserve lands affected by lake levels. The low education levels, high welfare assistance payments, and uncertain economic prospects of the Lesser Slave Lake region as a whole do point to a need to improve the economy of the region, an objective that is inconsistent with the probable end result of the 1968 Policy. Therefore, remedial action should be taken to influence the level of Lesser Slave Lake through removal of the Saulteaux Weir in lieu of continuing with the 1968 Policy. The 1968 Policy should probably be continued until the [province] makes a commitment to carry out remedial measures

on the Lesser Slave River.

So the study goes back to say that he would prefer the Saulteaux weir removal and continuation of the '68 policy and then goes on to say that once that's completed, we should deal with remedial problems in the Lesser Slave River.

Harries and Associates go on to say that policy guidelines.

on cost sharing of water management projects state that cost-sharing agreements may be necessary when all of the benefits do not go to the public at large, i.e. benefits accrue to individuals and private firms. The position paper also indicates that projects designated to be major works important for river base management shall be entirely paid for by the [province].

There again, a problem enters with regard to cost/benefit ratios, where we share-cost some of the projects, the balance being picked up by private individuals. When you split the costs like that, the private individual may argue very adamantly that it's a tremendous benefit for him, primarily because he's picking up perhaps only 25 per cent of the costs. So it's a dilemma we face. Many of the projects that Environment undertakes have that problem of shared costs.

The report goes on to say that:

The analysis of minimum water levels indicates that the present trends in Lesser Slave Lake levels appear to be the accumulated effects of about 70 years of agricultural development, logging, road construction, drainage programs . . . oil industry [and so on]. These have affected the area draining into the Lesser Slave Lake — increasing . . . probably the quantity of inflow. During this same period, the industrial and agricultural activities have, if anything, reduced the rate of flow of water out of Lesser Slave Lake. In this kind of historical perspective, removal of the Saulteaux Weir represents a remedial type of action rather than a new development project.

The consultants say that the province should pick up the full cost for rehabilitating the outlet of Lesser Slave Lake up to a capacity commensurate with the changes in the drainage pattern into Lesser Slave Lake. So he's arguing of course, which is what we're doing, to pick up the total cost through the Heritage Savings Trust Fund on the down side of the lake.

The Hu Harries and Associates document goes into a lot more detail into benefit/cost ratios, and there are charts that indicate the impact on developed land and developable land. For example, in one chart they compare no control and the present minimum water level distribution, and they indicate the difference in value between developed, and developed and developable land. They use a chart to indicate the problem with no control and rising minimum lake levels. They break that down and indicate the losses compared to no control and normal water level distribution. They have compared no control with rising minimum lake levels. Another chart shows the reduction in total losses by influencing of Lesser Slave Lake levels compared to no control and normal water level distribution, compared to no control with rising minimum lake levels.

In Table 14-4, they have broken down the benefit/cost ratios to the province — such as the member is alluding to partially — from influencing of Lesser Slave Lake levels. Compared to no control and normal water level distribution, the weir and canal control on developed land is 0.004, and on developed and developable land it's

0.010. Then if the Saulteaux weir is removed, it becomes 0.099 on developed land, and 0.182 on developed and developable land. They do the same thing compared to no control with rising minimum lake levels, benefit/cost ratios compared to no control present minimum water level distribution and compared to no control with rising minimum lake level. It's interesting when we get to the point of no control with rising minimum lake level. With the weir and canal control on developed land, it becomes 0.036, and on developed and developable land, 0.098. Then the removal of the Saulteaux weir: 1.038 and 2.090. So in their studies, the associates have gone into pretty good detail as to the breakdown of the benefit costs. But again, it's pretty difficult to conclude totally from all this that all the factors are taken into consideration.

A table shows the 30-year discounted total value of lost agricultural benefits because of flooding on developed land. The study indicates that with no lake control and normal water level distribution, on Class 2 soil the loss would be \$78,551. On no control with rising minimum lake level, it would be \$98,551. However, with weir and canal control, the value of lost agricultural benefits on Class 2 soil would be only \$3,009. Perhaps to further confuse the issue, on removal of the Saulteaux weir, the loss on that same Class 2 soil would be \$50,195. This particular chart shows that for classes 2, 3, and 4, on developed land with no lake control and normal water level distribution, a total of 346,000 — I'll round that off — is lost because of flooding; with no control and rising minimum lake levels, 424,000; and with weir and canal control, only 13,000. However, with removal of the Saulteaux weir, we're back to 224,000. That's the 30-year discounted total value of lost agricultural benefits because of flooding.

Then we go to developed and developable land. This combines land that's been developed plus non-developed land. Without lake control and with normal water level distribution, we're up to 1,068,000; no control and rising minimum lake level, 1,220,000; weir and canal control, 49,000; and removal of the Saulteaux weir, back up to 778,000. So it sort of belittles the argument that the Saulteaux weir has some benefit/cost ratio.

Incidentally, in addition to these other tables is a 30-year discounted value of lost agricultural benefits to government because of flooding. That deals with government. One deals with private interests, and then the other deals with lost agricultural benefits. In this document, if I can find it — there are a lot of tables — the consultants go into great detail on the economic benefits from farm cow-feeder operations. There's an interesting chart, where the calculation shows a gross benefit per acre of \$74.50 on the land being improved. There's a table dealing with cow-feeder operation at Lesser Slave Lake. I refer to all these because in a sense they are all taken into the cost/benefit ratios.

Of course, agriculture was heavily involved. Hu Harries' background is quite a bit in the area of agriculture. In Table 13-22, there's a breakdown of classes of soil that the member might be interested in, which breaks the soil classification into 2, 3, 4, 5, 6, and 7. I think 5, 6, and 7 — the Minister of Agriculture can correct me — is the top classification of soil. It used to be the reverse. I don't know why they don't call it No. 1, but here it's No. 7. It shows that without lake control, and with normal lake level distribution, Class 2 acreage lost due to flooding is 5,564 acres; Class 3, 4,537 acres; Class 4, 9,987 acres; classes 5, 6, and 7, 368 acres. Further charts indicate the different levels involved.

The study goes back to the Sauleaux weir study. Then they go to a chart that indicates the different land elevation intervals and the estimated acreage loss of land that can be developed from Lesser Slave Lake flooding with no lake control and rising minimum lake levels. That's an interesting chart. It shows the impact of the ...

In talking about cost/benefit, it's rather interesting that we had some earlier discussions about the fishing industry, which was taken into consideration in the benefit. The consultant indicates that over the past 20 years, peak production was 3.2 million during '68-69. Table 9-1 presents statistical information for the past 10 years. It's interesting that the low point was reached in '73, with only 238,000 pounds being taken out of the lake:

The quantities of fish caught, which exclude sport fishing, should not be taken as a completely reliable measure of Lesser Slave Lake's fish-producing capability, since the quantity of fish caught is also a function of the number of licences issued and the period of time during which commercial fishing is permitted in the Lake.

In '65-71, fishing was closed:

Although fishing appears to be recovering from the 1972 low point, it is still at a very low level compared to the 1960's and earlier years.

Mr. Chairman, they attribute some of the problem of the fish industry and changes in the characteristics in fish growth to siltation because of the oil industry. It's very difficult:

There is a theory that a decline in the growth rates of fish in Lesser Slave Lake is an evolutionary response to the use of gill nets for fishing. The faster maturing and more rapidly growing fish are caught preferentially over those with slower growth rate hereditary characteristics.

Table 9-1 indicates quite clearly that the fishing industry for tullibee, whitefish, pike, and perch — those are the main fish in the area — has dropped quite dramatically from 1966. So even though we'll be doing some further work in the Buffalo Bay area with regard to the fishing industry, at the present time it is not a major factor, although it would be taken into the total cost/benefit ratio.

I haven't been able to get the exact breakdown on reserve versus non-reserve lands for the member, but I think that figure was made available last day. Check *Hansard*, it will be in there.

Some time ago, there was a policy in the area of purchasing private land that was affected. About 50 per cent of the 87 property owners in the flood zone indicated they would consider selling part of their holdings. That was the '68 policy. The following is a statement of the '68 policy:

The Alberta Executive Council upon consideration of engineering and economic surveys and reports relative to the flooding ... confirm that in order to assist in alleviating ... part [of] the associated flooding problems, the Government's policy will be to purchase those farmlands and improvements at their appraised market values ...

The '68 policy was to continue to purchase. They would then be

administered by the Department of Lands and Forests pursuant to the Public Lands Act 1966, and will be available for lease to the former owner ... if a small portion is purchased ... it may be considered ... available to lease to the former owner.

There is a summary here of the land purchase policy, a

policy that's still followed in parts of the province.

Mr. Chairman, I think that covers most of the questions. By the way, there is a breakdown of the ethnic groups, if the member is interested. It's on 4-6, rather an interesting history. I don't know whether it was taken into consideration in the cost/benefit ratio, but you might be interested in the chart as to the origin of the settlement. The breakdown of age groups, sex, and marital status in the area may have been taken into consideration in the cost/benefit ratio.

That's a kind of brush sketch of the total area. Those figures were given earlier, but under the '68 policy, from '67 to '76, 7,660 acres were purchased at a price of \$25 to \$54 per acre. When we do the cost estimates of the land in recent times, they indicate that the amount of land that will be proved up because of the program will be very cheap in terms of inflation prices today.

MR. SINDLINGER: Mr. Chairman, that purchase price of \$25 to \$54 per acre is quite low compared to the gross benefits of \$74.50. But coming back to the comments the minister made in regard to the cost/benefit analysis, that sounds like a very comprehensive and thorough cost/benefit analysis completed by Hu Harries and Associates. I fail to understand why the minister, in earlier discussion or debate, indicated that he didn't feel the project warranted doing a cost/benefit analysis. Now that we have it, I'd like to ask a few more questions about it.

In general, I would have to agree with the minister that it is difficult to do a cost/benefit analysis on all things. Certainly, when we undertake projects there are intangible benefits. The minister alluded to those intangible benefits, more often than not associated with social programs. Certainly, it's difficult to assess what those intangible benefits would be in a case like that. More often than not, we leave that to our better judgment to determine whether we should undertake such a program or project. However, there are other things that have more tangible benefits, things where those tangible benefits can be measured with a fair degree of precision. I think this would be one of those instances, particularly when we talk about 30,000 acres protected and 30,000 acres having the risk of flooding minimized.

As the minister went over the discounted cash flow analysis, I was quite interested in the numbers being proposed. A discounted cash flow analysis is an analytical tool used to measure the comparative advantages or relative merits of different investments. For example, one might be contemplating an investment in a \$100 bond today at a rate of, say, 8 per cent, or more realistically, 18 per cent and, on the other hand, having an opportunity to invest in a bond next year that has a face value of \$500 and interest rate of 14 per cent. Each of the two bonds has a different maturity date. So the question arises, which is the more beneficial investment to make? It's difficult to make that comparison when different time frames are involved. In order to put the two alternatives on a comparative basis, this analytical technique, the discounted cash flow analysis, is used. For the last 10 minutes, the minister has been referring to the discounted cash flow analysis of the various alternatives.

I would like to ask the minister if he would isolate just the discounted cash flow analysis for the alternative finally selected. As I understand the information just given to us, it was the discounted cash flow analysis for the various alternatives that could have been undertaken. I ask that question because my understanding is that the report the minister referred to was completed in 1977.

Now, a critical factor in doing a discounted cash flow analysis is the discount rate the analyst assumes for the project life. This project assessment was done over 30 years. Since it was undertaken in 1977, it would be interesting to know exactly what interest rate was used.

For example, if a discount rate of 10 per cent was used in this analysis in 1977 — being somewhere in the ballpark, and yet being analytically convenient — there would be far different results if the same analysis were undertaken today, with an interest rate or discount factor of, say, 20 per cent.

The reason that's so critical is that as the minister discussed the discounted cash flow analysis of the various alternatives, I was quite interested in the numbers that came back. For example, some of the first numbers in regard to Class 2 soil indicated that in one instance the discounted cash flow analysis gave a present value of \$78,000. The minister went on to give us a present value. I guess I should explain what present value is. When we have different investment alternatives or cash flows, the only way we can assess them or compare them on an equal basis is to bring the numbers into comparable units; that is, there's no point comparing \$1 in 1981 to \$1 in 1990. Obviously, the dollar in 1981 has more value than the dollar in 1990. The reason is that the dollar of today can be invested and, over the 10 years, earn a rate of return not only on the principle but a compound rate of return on the interest earned over that period of time. So in order to compare the different cash flows, we have to bring it down to 1981 dollars. I recognize we can't do that here; we have to look at the report completed by Hu Harries and Associates in 1977.

I would ask the minister if, rather than giving us all those numbers, he could just give us the present value number or the discounted cash flow number for the final alternative chosen and, secondly, indicate the discount rate used in the analysis. Very clearly, that's quite important. If the discount rate was 10 per cent, and we are today in a period where we have interest rates hovering around 20 per cent, then the numbers related to us by the minister are inflated by a factor of almost two. In comparing the tangible benefits of this project — and I have to admit there are as well intangible benefits that are very difficult to assess, although they can be identified and subjective values placed upon them — the objective is to compare the total expenditure of the project, in the neighborhood of \$4,411,000, if I recall correctly, and the benefits that would result from the project. The minister has identified some of those, and I'm not too certain which they are. But if the discounted cash flow value, or the present value of the project is, for example, \$78,000, that's quite a distinct difference. On the one hand, we're being asked to lay out \$4,411,000, but on the other hand we get back only \$78,000. The reason I have to ask the minister to clear this up is because, clearly, that's not a prudent decision to make. That is, if we're going to spend \$4,411,000 and get back only \$78,000, that doesn't seem to be a very judicious investment.

I tried to jot the numbers down, but other categories said that in one case if we did this, the present value would be \$50,000. In another case, there was only \$3,000. Even bearing in mind all the numbers the minister gave us for all the various alternatives, I don't see them totalling much more than \$1.5 million, and that's a combination of the benefits that come from all the alternatives. So I think it would be important that we simply isolate the alternative chosen for this project and, just to set the record straight, indicate what the discounted cash flow

analysis or the present value of that expenditure would be. I don't think we should have something on the record saying that we in this Legislature authorized an expenditure of \$4 million and in return we expect to preserve the productive capacity of agricultural land resulting in returns of only \$70,000 over 30 years, or whatever the number is. Obviously, there has to be a greater return in terms of present value or discounted cash flow analysis from that which has been indicated in the report.

Perhaps if the minister looked more closely at the table, he might find that a range of discount factors were used. Given the date of 1977 on this particular analysis, I've indicated that for analytical convenience a discount factor of 10 per cent would have been used. But usually when such analyses are undertaken, a range is used — say, 5 per cent, 10 per cent, 15 per cent — just to give people an idea of the ballpark magnitude of the problem, and to assess the sensitivity of the assessment to changes in certain factors. If I could just leave it at that for the time being, and have the minister comment on the present value or the discounted cash flow of the alternative finally undertaken, and what discount rate was used in that particular assessment.

Before I sit down, I might as well bring up another thing the minister touched on. I'm not too sure if the minister was talking about fish production, but reference was made to actual production of 3.9 million pounds in one year. I presume that's fish, because the minister went on to say that in 1978, there was a low point of about 238,000 pounds. Now that I look at it, going from 3.9 million to 238,000 pounds is quite a drop. That's almost a tenfold factor: production was increased by 10 times. I don't know if this project was undertaken in 1978, but perhaps the minister might indicate the reason for that decrease in production by a factor of 10. Did it have something to do with this project, or did some natural calamity devastate the harvest in that particular year? I'll just leave that with you for a minute, if I could please, Mr. Chairman.

MR. COOKSON: What was the question? There had to be a question there somewhere, but I just couldn't pick it up.

MR. ADAIR: A fairly long preamble.

MR. COOKSON: It was the preamble that got me. Mr. Chairman, I think we'd better hire the Member for Calgary Buffalo to do another accountant study on this exercise. And when he comes up with the recommendation, I presume from his analytical conclusion that we'll simply take the dirt and put it all back in the cutoffs, take out the weir, and get back to where we were two years ago. But because of my practical nature, I doubt very much if that would be acceptable to the public.

The study was done by a well-qualified person who is well established in analysis. He points out quite clearly in the document the low cost/benefit ratio. Looking at it, I sometimes think it's a little like farming. It reminds me of the farmer who was selling hammers on the street for 25 cents apiece, and a fellow asked him: I don't consider you're actually stupid, but can you tell me why you would go into the local store, buy them for 50 cents, and sell them on the street for 25? The old farmer said: sure, it's not hard to figure out; I'm still making more money than I am farming.

Anyway, the analysis was done by a very reputable firm. We based our decision primarily on the analysis

plus the environmental impact assessments, and recommendations by the members concerned, in particular the Member for Lesser Slave Lake, who has a great interest in this project. It was a project initially proposed, discussed, and approved at the level of the heritage trust fund approval of capital projects. One would have to go back into the whole detail of the exercise to review the debate at that time and, on the basis of that, it was agreed to proceed with the project. Mr. Chairman, I think it was an excellent decision.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: The hon. Acting Government House Leader wishes to say something.

MR. SCHMIDT: Mr. Chairman, I move that the committee rise, report progress, and ask leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports progress thereon, and requests leave to sit again.

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

HON. MEMBERS: Agreed.

MRS. OSTERMAN: Mr. Speaker, I would ask unanimous leave of the House to make a motion that The Banff Centre Amendment Act, Bill No. 52, be moved back to the Committee of the Whole for some amendments.

MR. SPEAKER: Is there unanimous leave?

HON. MEMBERS: Agreed.

MR. SCHMIDT: Mr. Speaker, it's the intent that when the House convenes at 8 o'clock, it do so in Committee of the Whole for the study of certain Bills, and I so move.

MR. SPEAKER: Does the Assembly agree that when members return at 8 o'clock, they will be in Committee of the Whole to study certain Bills?

HON. MEMBERS: Agreed.

[The House recessed at 5:30 p.m.]

[The Committee of the Whole met at 8 p.m.]

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

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Will the committee please come to order.

Bill 50

The Colleges Amendment Act, 1981

MR. CHAIRMAN: There are some amendments, which have been circulated. Are there any questions or comments regarding any of the amendments?

MR. HORSMAN: Mr. Chairman, in view of the extensive nature of the amendments before the Assembly with respect to The Colleges Act, The Universities Act, and The Banff Centre Act, which will be dealt with by my colleague, the hon. Member for Three Hills. I should say a few words to the committee just to help it recall what took place with regard to these pieces of legislation.

First, hon. members will recall that these Bills received second reading on Friday, May 29 of this year, in the first sitting of this session. At that time I indicated that the Bills would be held over the summer months for the purpose of discussions with the appropriate bodies within the colleges, universities, and other institutions. During the course of the succeeding months, my departmental officials held over 50 meetings with boards of governors, local and provincial faculty associations, and the student bodies in the institutions.

In addition to that, Mr. Chairman, it has been the practice of the department to hold board of governors seminars on an annual basis, one day with the boards of governors from the universities and the other with boards of governors from the colleges system. Those meetings were held in Edmonton this year on September 30 and October 1, at which times the various Acts in question were discussed with the participants, who included board of governors members. Of course, as all members realize, boards of governors in universities and colleges in Alberta have representation from faculty associations and students. It is with respect to that extensive consultation that these rather substantial amendments are before the Assembly this evening.

If I may, I'd now like to deal with the principles we are proposing by way of change with respect to The Colleges Amendment Act and the amendments before the committee. First of all, the government has recommended, and is recommending to the committee, that the vote presently in The Colleges Act for the president of each institution be reinstated. Hon. members will recall that in the amendments in Bill 50 it had been proposed to remove the vote of the college president. However, it was quite clearly pointed out that that is not the wish of the institutions that will be governed by this legislation, and that in view of the fact that it is proposed under Bill 50 and continued with these amendments to have a non-academic staff member added to the board of governors, the president's vote be retained. That is provided for in the House amendments.

The next most important issue that involves a change proposed by these amendments relates to the subject matters which must be the subject of negotiations between the faculty association and the board of governors. Hon. members will recall that it was suggested and, at the time of second reading, I indicated that we hoped to bring The Technical Institutes Act, The Universities Act, and The Colleges Act into uniformity with respect to the matters which should be the subject of collective bargaining procedures between the parties. However, it is clear from our meetings and discussions with the various parties that that is not going to be possible. Therefore with respect to the colleges, with one or two minor exceptions, it is proposed to return to the model which has been in

effect in The Colleges Act since it was originally passed by the Legislature some years ago. Of course this may not be met with uniform or wild enthusiasm by either the boards of governors or the faculty associations, either the individual faculty associations or the Alberta-wide body; nevertheless, I think it is fair to point out to the Assembly that the system, which has been in place over the last 10 years or so that the current Act has been in existence, has worked effectively. We hope that will continue to be the case.

With respect to the matter of designation of academic staff, in the House amendments we propose to require consultation between the academic staff association and the board of governors. That was not a feature of the previous Act that is now in existence. It was a feature, and will remain a feature, of the amendment Act now before the Assembly.

One other matter I should point out to the Assembly relates to the question of the organization of the academic staff association within the various institutions. The House amendments reflect, as best we believe we can do, the wishes of the faculty associations with respect to how their organization of an academic staff association should be established by way of legislation. By and large of course, those provisions would really only apply to the creation of new colleges and not to existing colleges, because in each case in all the 10 public colleges now in existence in the province and governed by the terms of The Colleges Act, there are in fact collective bargaining agreements which have been negotiated between the parties on a free and voluntary basis and which provide, as I indicated in my speech during the course of second reading, for a wide variety of collective bargaining agreements between boards of governors and faculty associations.

Mr. Chairman, the proposal before the Assembly by way of amendments to Bin 50, while extensive, I believe reflects the best possible relationship between the parties. Of course it may not be completely satisfactory to all. However, we believe it is the best way of continuing what is in fact a very successful relationship between the faculty associations, the boards of governors, and the students at these institutions. As a result of the decision of this House, it will add a new party to the board of governors, the non-academic staff association, which in the House amendments has been more clearly defined to exclude those people involved in the administration of colleges in the province.

By these amendments, we are aiming to preserve and enhance collegiality within colleges. What I really mean by that, Mr. Chairman, is to preserve a spirit of partnership between the parties so there is not a master/servant relationship but indeed a partnership relationship between the various components of our colleges, universities, and technical institutions.

With those words by way of explanation of the House amendments, I would be pleased to answer any questions.

MR. NOTLEY: Mr. Chairman, I just have a couple of questions on the Bill before the committee. I certainly support the change in the section dealing with the boards of governors including one representative from the non-academic employees. I think non-academic staff is a step in the right direction. It will improve the functioning of the colleges.

Mr. Chairman, I have a question with respect to the remuneration for boards of governors and the salaries of the academic staff across the province. We realize that we now have institutional autonomy here. That's a far cry

from the situation some years ago. I would be interested in any figures or statistics the minister has on the variation in the salary levels of academic staff members across the province. Is there a significant disparity, or are we looking at essentially the same kinds of salary level with only minor differences? Also, I presume there would be differences in the time of the contract from one institution to another, which could be a factor. I'd be interested in the minister responding to that.

On the question of the remuneration for boards of governors — again, that presumably would be up to the boards of governors — what is the variation there? Presumably these people are paid on the basis of so much a meeting. What remuneration, if any, is given for additional work, such as committee work and work on behalf of the colleges in making representation or attending conferences, this kind of thing?

Mr. Chairman, those are essentially the two questions I had, but I certainly support the addition to the board of a representative from the non-academic staff.

MR. HORSMAN: Mr. Chairman, dealing with the subject of remuneration for boards of governors. First of all, the hon. member quite correctly pointed out that it is a matter for each board of governors to set. There are 10 boards. I have been advised as to the levels of remuneration, although I have not requested the information. In some instances, I believe boards have decided not to pay any remuneration by way of an honorarium to themselves, but rather to recover actual expenses for their time spent in the course of service on the board. That may include such things as paying for substitute teachers and substitutes they may have to acquire during the course of loss of their job, so that nobody should be out of pocket for the time they actually spend during the course of board service. I support that concept wholeheartedly. It strikes me, by recollection, that some boards that pay honoraria have gone as high as \$250 per month for the chairman, with the differential down to, say, \$200 per month for individual members of the board. I think all hon. members will agree that that is a very, very small payment indeed for the efforts they provide.

Of course, it is a matter of public knowledge. I just don't have it at the tip of my fingers, but I can certainly get that information. In the case of Mount Royal, I recall that last year that particular board of governors voted their honoraria at \$1 per annum, to send the message to the minister with respect to the level of budgeting for that institution. Of those that pay themselves honoraria, that's the lowest. But of course expenses are paid.

With regard to the second question, on the academic staff associations: the variations between the institutions are not significant, except that of course the institutions themselves are considerably different. For example, many of the academic staff at Keyano College are people engaged in heavy-equipment instruction. Because of the fact that Fort McMurray is a community where wage levels are somewhat higher than in other parts of the province, due to the additional cost of living, there may be variances there, as opposed to other communities. But in any event, there is no uniformity with respect to the commencement of collective bargaining agreements, the time of commencement, or the terms of the contracts between institutions. Really, I would not want to see any sort of uniform bargaining carried out, because each college has its own particular flavor and its own institutional mandate and goal.

I do not have the exact figures, but from general

knowledge I don't believe there is a great differential between colleges of a similar nature. As hon. members are aware, and I should point this out: because of the major expansion into the trades area in the colleges system, an effort is and has been made on the part of colleges to attract qualified trades instructors. Those most recent efforts may show some differential between the colleges system and the technical institutes presently under The Public Service Employee Relations Act. But by and large, there is not wide variation for people doing work of a similar nature, except as I indicate, that some of the more northern colleges have somewhat higher levels of pay as a result of the additional cost of living in northern Alberta.

I should point out with respect to the colleges system that the colleges operate on a fiscal year which commences on July 1 and terminates on the following June 30. Most of the collective bargaining agreements follow that fiscal year. Whether they are one-, two-, or three-year contracts, and where they fall, I really can't answer. I would like to point out, though, that in the original Bill 50 we did make reference — if the hon. member wishes to refer to the House amendments on page 9 — to various agreements. They were listed (a) to (j). The hon. member will notice the wide variety of dates of those agreements. We are proposing to eliminate that particular section with the House amendment and cover those various agreements by a blanket amendment, so those particular dates and agreements between the parties will not appear in the new Bill. It's consolidated under one encompassing amendment, as set out in the House amendments.

MR. CHAIRMAN: Are there any further questions or comments on the amendments?

[Motion on amendments carried]

[Title and preamble agreed to]

MR. HORSMAN: Mr. Chairman, I move that Bill 50, The Colleges Amendment Act, 1981, be reported as amended.

[Motion carried]

Bill 51
The Universities Amendment Act, 1981

MR. CHAIRMAN: There are amendments for this Bill, and these are also fairly extensive. Does the minister wish to comment?

MR. HORSMAN: Mr. Chairman, I would make most of the same comments with respect to this legislation, particularly with regard to the extensive consultation which took place between the officials of the Department of Advanced Education and Manpower. I do want to point out where substantial changes are proposed. The original Bill 51 proposed to list, as matters to be negotiated between the parties, a number of items which were similar to those which appear in The Colleges Act. However, since there never had been a requirement under the legislation for boards of governors to bargain collectively with the faculty associations, this created a good deal of concern among university boards of governors. Therefore, we have shortened the list of things which must be part of an agreement between the academic staff association and the faculty association.

By referring to the House amendments, page 4, hon. members will see that the items which shall be included in the agreement

... with respect to the employment of academic staff members [would] contain provisions respecting at least the following matters:

- (a) establishment of salary rate and wage rate schedules for the purpose of setting the salaries or wages payable;
- (b) procedures respecting the settlement of differences between the parties arising from the interpretation, application or operation of the agreement;
- (c) procedures respecting negotiations of future agreements.

In effect, Mr. Chairman, this is far less than is required in The Colleges Act, an Act which, as I say, has had the experience of time. We believe adding these requirements to the universities collective bargaining procedures will satisfactorily set out the matters which must be negotiated. Of course many other matters will be dealt with between the parties, but the government is not injecting itself into that procedure by requiring a long list of additional matters which must be the subject of an agreement. We will leave that up to the parties in question. We trust that they will, as they have in the past, continue to bargain agreements which will be satisfactory to both parties.

I should point out one other amendment. Perhaps I'd better put it this way. One other amendment sought to Bill 51, with which the government does not agree, was that deleting the authority of the boards of governors to set honoraria for themselves. Mr. Chairman, we believe it would be entirely improper for the government of Alberta to set honoraria for boards of governors at institutions covered by The Universities Act. However, we believe it entirely appropriate for those same boards of governors to establish honoraria for themselves as members of the boards of governors, similar to the procedures now in place with respect to The Colleges Act. Of course that does not mean honoraria will automatically be established. But we are enabling boards of governors to do so, should it be their respective wish. We believe that to be in keeping with the government's role in maintaining institutional autonomy for the universities in this province.

A number of other relatively minor amendments have been brought about as a result of consultation between the parties. One in particular is Section E in the House amendments, which provides that the president must have a role in the appointment of, promotion to, or dismissal from any position in the academic staff at a university, in accordance with procedures approved by the general faculties council.

An amendment of some substance, with respect to references to agreements between boards of governors and the faculty association: where it now says "Subject to an agreement", we are making that "subject to any existing agreement", which will give effect to what is now in place between boards and their faculty associations.

We also provide that there shall be consultation with the academic staff association with respect to the designation of categories of employees as academic staff members. That of course is similar to the terms of Bill 51, but has been slightly reworded to clarify that particular section of Bill 51.

With those comments, and if I could incorporate my comments with respect to The Colleges Act where they fit, I would be pleased to answer any questions.

MR. R. SPEAKER: Mr. Chairman, to the minister. You mentioned students' tenure on the board of governors with regard to Bill 50. I was trying to locate it here. I didn't see anything in the amendments. There was some concern with regard to how long the appointment of a student on the board of governors was at the university. Some representation made to us was that each year that student should be reappointed by the students' council. I wonder if the minister could comment on whether that's the way it is, or has there been some change to that. I haven't got Bill 51 with me, so I'm not sure whether it was in the original Act.

MR. HORSMAN: Mr. Chairman, I don't believe that either Bill 51 or the House amendments dealt with the subject of student appointees to the boards of governors at the institutions. In other words, that would continue to be done in the manner now prescribed under the present Universities Act. No, Mr. Chairman, it does not change the present Act with respect to appointments of student representatives. So it is not before the Assembly, either by way of Bill 51 or via House amendments.

[Motion on amendments carried]

[Title and preamble agreed to]

MR. HORSMAN: Mr. Chairman, I move that Bill 51, The Universities Amendment Act, 1981, be reported as amended.

[Motion carried]

Bill 60
Students Loan Guarantee
Amendment Act, 1981

MR. CHAIRMAN: Are there any questions or comments regarding sections of this Act?

[Title and preamble agreed to]

MR. HORSMAN: Mr. Chairman, I move that Bill 60, the Students Loan Guarantee Amendment Act, 1981, be reported.

[Motion carried]

Bill 73
Public Auctions Act

MR. CHAIRMAN: This Bill has some amendments. Are there any questions or comments regarding the amendments?

MR. ZAOZIRNY: Mr. Chairman, as the mover of this Bill, first I would like to comment with respect to the amendments before members, for purposes of clarification. The first amendment, to Section 1(b), simply removes what might have been a rather circular definition of "auction sales business" by removing the reference to Section 3(1)(d), which makes reference to a person holding himself out as an auction sales business. The amendment effectively deletes the reference to Section 3(1)(d), thereby avoiding that perhaps circular definition.

The second amendment is to Section 2(1) of the Bill. That adds the words "and Section 6(9)" to the preamble or first words of Section 2(1). It will now read "Subject to

subsection (2) and Section 6(9)". The effect of this amendment ensures that the provisions of Section 6 of the Bill, which have to do with bonding and the protection availed to the public through the bonding requirement, will apply even to those sales by public auction which are exempted from the provisions of the Act and are spelled out in Section 2(1).

The third amendment before the committee is an amendment to Section 11. It simply adds a Clause (c). Hon. members have the wording of that subsection before them, and I will repeat it for the benefit of those members who might not have their copy of the amendment:

keep a record of every sale by public auction held by it and retain each original record so kept in its possession for at least 3 years after the day of the sale to which the record relates . . .

That particular subsection was omitted from the Bill in error. That subsection does appear in an equivalent section of the present Sale of Chattels by Public Auction Act. In keeping with that provision of the previous Bill, that section is a necessary component of Section 11.

I'd like to deal with one other matter at the committee stage. I believe a number of hon. members were contacted by members of the Auctioneers Association of Alberta over the last week or so. This was brought to my attention by members of the Auctioneers Association as well as by numerous members of the Assembly, the Member for Cypress for one and the Member for Calgary McCall for another. The reason the auctioneers had been placing calls to some of the members had to do with the new provision of the Public Auctions Act whereby the licensing will be of the auction sales business rather than the individual auctioneer.

Initially, the Auctioneers Association was somewhat concerned about a possible impact this might have on the qualifications of individual auctioneers. However, Mr. Chairman, I have been authorized by Mr. Norman Moore, the vice-president of the Auctioneers Association of Alberta, to advise all members of the Assembly that having now had an opportunity to discuss that particular component of the legislation with departmental officials, and having been assured that the qualifications of auctioneers as set out under the regulations in the existing legislation will certainly not be lessened with the regulations that flow from the Public Auctions Act, the association is satisfied that the public will continue to be well protected under this new legislation. I have been further advised by Mr. Moore to inform the Assembly that the Auctioneers Association of Alberta heartily endorses the Bill as a whole and is very hopeful of its passage at these fall sittings. In light of the calls received by various members of the Assembly, I thought it only appropriate to pass that information on to members of the committee at this stage of the Bill.

Apart from that, I believe the principles of the Bill are clear. Mr. Chairman, those would be my only comments.

MR. R. SPEAKER: Mr. Chairman, to the hon. member. In terms of the director, would this mean a new division of one of the departments will be established to relate to the licensing of auctioneers? Secondly, how soon does the hon. member see the regulations to be implemented by the Act available to the general public?

MR. ZAOZIRNY: Mr. Chairman, in response to those inquiries, first, the provision of a director is really no change from the present administration of The Sale of

Chattels by Public Auction Act. That legislation referred to an administrator. However, the definition of the administrator is virtually identical to the definition of the director under the new Bill. So on that basis, there is no likelihood of any new administrative structure arising as a result of this new legislation.

With respect to a second inquiry regarding the regulations, it is my understanding that it is the intention to come forward with the regulations very closely following the passage of the Bill. Particularly in light of the query raised by the Auctioneers Association, it's the intention of the government to make it very clear that the administration of the Act will be just as comprehensive as the previous legislation and, on that basis, I think we can anticipate regulations flowing very quickly after the passage of the Bill.

MR. R. SPEAKER: Mr. Chairman, does the hon. member see a change in the licence fee in terms of the regulation? Will there be an increased fee? I'm not sure what it is right now, but will it stay the same?

MR. ZAOZIRNY: There is no expectation on the part of this member of any specific change in the licence fee.

[Motion on amendments carried]

[Title and preamble agreed to]

MR. ZAOZIRNY: Mr. Chairman, I move that Bill No. 73, the Public Auctions Act, be reported as amended.

[Motion carried]

Bill 68
Lloydminster Hospital
Amendment Act, 1981

MR. CHAIRMAN: Are there any questions or comments regarding the sections of this Act?

[Title and preamble agreed to]

MR. LYSONS: I'd like to move that Bill No. 68, the Lloydminster Hospital Amendment Act, 1981, be approved.

[Motion carried]

Bill 70
Mental Health Amendment Act, 1981

MR. CHAIRMAN: Are there any questions or comments regarding the amendments to Bill 70?

[Motion on amendments carried]

MR. CHAIRMAN: Are there any questions on Bill 70 as amended?

MR. R. SPEAKER: The sponsor of the Bill, Dr. Reid . . .

MR. CHAIRMAN: Would the hon. leader please use the proper term of address.

MR. R. SPEAKER: Mr. Chairman, along with the increased autonomy given to the two institutions, does the

hon. Member for Edson see further autonomy as well in their responsibilities with regard to budgeting?

DR. REID: In answer to the question by the Leader of the Opposition, the hospitals would be functioning as any board-administered hospital. They would have to set a budget which would go forward for approval after examination, and it would then be referred back to them for any questions and amendments they may have. Once approved, they would operate within that budget the same as any other hospital. But they would have more autonomy than they have at the moment, where they are essentially budgeting as part of the Department of Social Services and Community Health.

MR. R. SPEAKER: Mr. Chairman, further to the hon. Member for Edson, with regard to the powers of the Ombudsman to investigate complaints in institutions such as this. We're now changing the format, and the board that controls the hospital is outside of government as such. I'd like to know from the minister whether, in bringing forward the legislation, any thought has been given towards making it possible for the Ombudsman still to investigate any kinds of complaints raised in terms of patient/staff mistreatment, maltreatment, or concerns. Has that item been raised to the hon. member, and has any consideration been given to making sure the Ombudsman can do the investigations, as he can at the present time?

DR. REID: Mr. Chairman, to the hon. Leader of the Opposition. It has been made amply clear that Section 13 of the Bill, which is the part which would technically remove the Ombudsman's present jurisdiction within the two institutions, will not be proclaimed without the approval of either the present Ombudsman or his successor. So until the Ombudsman himself is satisfied that the other protective mechanisms that exist under the normal board operation of a hospital are adequate for the patients, the present jurisdiction of the Ombudsman in the two institutions will continue as it is at the moment.

MR. NOTLEY: Mr. Chairman, I'm just a little puzzled. What would be the reasoning for putting it in in the first place? Why remove it?

DR. REID: I'm sorry, I don't understand the question, Mr. Chairman. We have a section in there which makes these hospitals essentially as other board-administered hospitals where the Ombudsman does not have jurisdiction, but that section will not be proclaimed until the Ombudsman himself — or herself, in the future — is satisfied that the normal mechanisms for patients to register complaints in a board-administered hospital are satisfactory for the patients in the two institutions. The technicalities of putting it in the Act at the same time are essentially so that once that section is proclaimed, if ever, it will be the same as in any other board-administered hospital such as, say, the University of Alberta hospital or the children's hospital in Calgary. The provision will not be proclaimed until the Ombudsman has given his approval.

MR. R. SPEAKER: Mr. Chairman, to the hon. Member for Edson. Would you give me the section where that protection is again? I'm sorry. I was trying to locate that.

DR. REID: It's Section 13 of the amending Act, Mr. Chairman. The last section.

MR. R. SPEAKER: Mr. Chairman, to the hon. Member for Edson. On passage of this Act, what sequence of events will take place? Would the minister meet with the Ombudsman? Would the Ombudsman do some type of review? Would the Ombudsman request a further amendment to The Ombudsman Act so that investigation can continue? What sequence of events will occur following passage of this Bill?

DR. REID: Mr. Chairman, the sequence of events is that first of all the boards will be set up, and only the section setting up the boards of the two institutions will be proclaimed. Subsequent to that, once the boards are operating for a sufficient length of time, probably in the vicinity of six to nine months, the other sections of the Bill will be proclaimed, with the exception of Section 13, which is that part of the Bill which would amend the Ombudsman Act to remove the jurisdiction of the Ombudsman. It's a sequential amendment, and will not be proclaimed until the Ombudsman is satisfied that it should be.

MR. R. SPEAKER: Mr. Chairman, to the hon. Member for Edson. Does that mean that within that six- to nine-month period of time, the Ombudsman cannot investigate or be requested to make any investigations? Or does it mean he still will be able to do the investigations? Is that what you're saying?

DR. REID: During the six- to nine-month period, the hospitals will operate exactly the same as they do at the moment, Mr. Chairman. There will be no change in the administration of the hospital during that six- to nine-month transition period. Once the rest of the Act is proclaimed, the hospitals will then be operated by the two hospital boards. And to the hon. Leader of the Opposition: the only part that will not be proclaimed at that time is Section 13. They will still have the jurisdiction of the Ombudsman within the two institutions. There may have been a misunderstanding. I was explaining the total sequence of proclamation. But as far as Section 13 is concerned, it will be held back until the Ombudsman is quite satisfied, in his own mind, that there is sufficient protection for the patients in the two institutions. I hope that clarifies it.

MR. R. SPEAKER: Without his being involved?

DR. REID: If it's intended to proclaim that section, the Ombudsman will have been involved, and will have given his approval before any proclamation of that section.

MR. NOTLEY: Mr. Chairman, I'm just a little bit uneasy about it. I realize there is a difference between active-treatment hospitals and the hospitals we are dealing with at the present time. But the concern I have is that traditionally and by statute, the Ombudsman has been able to investigate complaints in institutions or hospitals in this province, pursuant to The Mental Health Act of 1972. I appreciate the comments by the hon. Member for Edson that Section 13 won't be proclaimed until the Ombudsman has given his consent. However, with great respect to the hon. Member for Edson, I think it would be useful if perhaps the minister were to outline to members of the committee precisely how he sees the sequence of events

unfolding that the Leader of the Opposition made reference to. Will there be a formal meeting with the Ombudsman, requested by the minister? If the Ombudsman has some concerns, is it the government's view that in fact Section 13 may never be proclaimed, that an anomaly would exist for years? If we have that kind of assurance that there won't in any way, shape, or form be the kind of situation where an effort is made to encourage the Ombudsman that some sort of substitute approach may be preferable to his role ... Before I can vote for this Act, I have to be convinced that it will be totally up to the Ombudsman.

I'd like to know what the government's position is with respect to the steps the minister sees being undertaken during the next 18 months.

MR. BOGLE: Mr. Chairman, to supplement the comments made by my colleague the Member for Edson, who explained in a very satisfactory way the process which will be followed, I might provide some additional information for the hon. Member for Spirit River-Fairview, who refers to the anomaly that might be created. Just to refresh his memory and the memory of all members of the Assembly, the anomaly currently exists in facilities across this province. I'm thinking of the general and municipal hospitals which offer service for patients designated under The Mental Health Act, as well as the Calgary General hospital's forensic ward, which offers the same kind of closed and confined treatment and care offered at Alberta Hospital Edmonton. At the present time, in those hospitals I've referred to outside the two hospitals presently administered as branches of the Department of Social Services and Community Health, the Ombudsman does not have jurisdiction. That anomaly now exists.

This is a matter to which the government caucus has given a great deal of attention and deliberation in terms of finding a satisfactory solution. I have had no less than three meetings with the Ombudsman. I believe that we as members of the Assembly, particularly in the government caucus where these amendments were approved: whoever the minister is who has to stand in my place and make whatever recommendations are necessary, whether to proclaim or not; and, indeed, the Ombudsman himself or his successor must all be satisfied that the boards are in place, that the safeguards are in place, for the patients of the two hospitals. This has been stated by my hon. colleague, is on the record in *Hansard*, is in two pieces of correspondence I have signed — one to the Ombudsman, and the second to the president of the Alberta Union of Provincial Employees — and gives the same assurance. So I believe we have certainly gone that extra mile to ensure that a consultative mechanism is in place.

Once the boards are in place, once they have assumed their responsibilities, once their hospitals are being operated like all others, that will be the point in time when the question as to whether the section should be proclaimed will have to be addressed, which as hon. members will note, is in The Ombudsman Act, Section 2(a). It would mean adding Alberta Hospital Edmonton and Alberta Hospital Ponoka to the existing provincial general hospitals which are very clearly exempted from the Ombudsman's jurisdiction.

MR. R. SPEAKER: Mr. Chairman, would the minister consider tabling the two letters for the information of the Assembly? I think that would be very proper if it were possible.

The other question in my mind is with regard to the alternatives. If these two institutions are treated as the other hospitals mentioned by the minister, what are our options in terms of patients coming to someone and saying, look, I think I've been treated unfairly, and I would like to have better treatment. What options are there? Would it be the Social Care Facilities Review Committee, or are there other options the minister has been considering?

MR. BOGLE: First, Mr. Chairman, with regard to the two letters. With the concurrence of both the Ombudsman and the president of the Alberta Union of Provincial Employees, I'll certainly be prepared to file copies of those letters with the Assembly.

On the second question, the safeguards which would be in place for patients of the two facilities, one of the provisions in this legislation would see a transfer of the responsibility from the Social Care Facilities Review Committee to the Health Facilities Review Committee, in keeping with all other hospitals and nursing homes in the province under that particular committee. The other kinds of safeguards relate to the professional ethics committees of various groups and organizations. The medical profession is a prime example. There is a discipline committee which was recently established under the Minister of Hospitals and Medical Care. In other words, it is our intent to see the two hospitals operated, in the fullest sense of the word, as all other hospitals are within the province.

MR. R. SPEAKER: Mr. Chairman, to the minister. In light of the hospital review committee doing the job, is there any intention — I guess this is under another minister — of giving those two committees, the Social Care Facilities Review Committee and the Health Facilities Review Committee, investigators or persons who have a greater amount of expertise in the field to interview and observe the kinds of things that need to be observed when a complaint comes to them? Will the committees be instrumented that way? Or as it has been in the past, will the persons on the committee come in and do the best job they can, I'm sure, with whatever their capabilities are? Is there any thought of changing that format?

If the Ombudsman moves out of the field, we would need some kind of change in that area, because the Ombudsman presently has investigators, persons trained in the area. If he hasn't, he has the facility to obtain a trained investigator to look into a special kind of problem.

MRS. CHICHAK: Mr. Chairman, on the question raised with respect to membership on the Health Facilities Review Committee, I'm not sure the hon. Leader of the Opposition is aware that currently the Health Facilities Review Committee has on it a medical doctor and registered nurses. I think there is always a conscientious effort to have appointments made to the committee so that at least some of the members have direct training and knowledge in the area of health care.

I have no doubt that over time, as appointments come due, the role the committee will play will be fairly significantly respected, and that kind of consideration would play a significant role in future appointments. I think it's important to recognize that a committee not be solely and totally made up of the professionals within these facilities because that has its own kind of reflection that may not

allow them the objective considerations necessary.

So it is very important to have a very wide cross-section of membership on the committee. But there's no doubt in my mind that the hon. Minister of Hospitals and Medical Care, as he has done in the past, will consider to ensure that there is a balance of representation, both from the professional aspect and otherwise. I'm sure the hon. Leader of the Opposition raises will continue to be taken into consideration, as in the past, bearing in mind the nature of the facilities that have to be served.

MR. BOGLE: I might add to what our hon. colleague for Edmonton Norwood has said by indicating that in the present make-up of the Social Care Facilities Review Committee, several members have a professional background which certainly gives them skills in a formal way. One is a retired public health officer. I'm sure the hon. Leader of the Opposition wants to hear this.

So we do try to ensure that there is that kind of proper balance on the committee. Just for the record, I might also mention that of the approximately 530 visits made by the Social Care Facilities Review Committee since its inception approximately a year and a quarter ago, about 45 of those were to investigate actual complaints. There was that number of investigations on a formal basis.

I would draw to the hon. member's attention Section 13 of The Social Care Facilities Review Committee Act, which clearly gives the committee the authority to designate a complaint officer. So if the committee feels it needs some additional expertise which it does not have on its membership for a particular matter, it has the right to seek that kind of expertise.

DR. BUCK: Mr. Chairman, . . .

MR. CHAIRMAN: I believe the hon. Member for Edson wished to comment.

DR. REID: Mr. Chairman, I think perhaps we should clarify for the record that other mechanisms that exist in the hospitals at this time will continue. For instance, the review panels under The Mental Health Act will continue; the appeal panels under The Dependent Adults Act will continue. The direct complaint to the board would be an additional protection. As in any other board-administered hospital, the boards will also have the right to ask the minister to appoint a committee to review any complaints, if they feel that's necessary.

The other thing I think should be pointed out is that even after Section 13 is proclaimed — if it ever is — the Ombudsman would continue to have the right to receive unopened mail from these hospitals, the same as he has from, say, the forensic unit at the Calgary General hospital. So there are several mechanisms in place.

DR. BUCK: Mr. Chairman, to the minister of social development. I'm glad the minister reminded us of that statistic. I don't think any committee that has over 500 visitations in a little over a year is doing any more than a walk-through service. Mr. Minister, I hope you can convince me otherwise.

Unless the Ombudsman can have complete and total powers to investigate, we are afraid that all we're doing is having the coyote guard the henhouse. We all know the hon. Member for Edmonton Norwood and her group try. But you know, they just happen to be on the same side as the government. It just happens to be more than a coinci-

dence. If you really want someone impartial to be giving you an objective review, then I think you have to look at something that's going to be objective. So, Mr. Chairman, when the minister tells us that we've had that many reviews in a little over a year — and there are not 365 working days in a working year — really we're having nothing but a walk-through review. I don't think that's going to indicate anything to anyone.

MR. BOGLE: Not to get into the merits of and kinds of reviews and visitations which take place — as that's clearly drifting away from the import of this proposed legislation — I will reiterate that the safeguards are in place. There should be no misunderstanding in the hon. member's mind as to the jurisdiction of the Ombudsman. The process for review of that authority for the Ombudsman has been very clearly articulated by my colleague the Member for Edson, and that's the process which government intends to follow, if indeed this Bill is passed.

MR. NOTLEY: Mr. Chairman, I appreciate the comments by both the Member for Edson and the hon. Minister of Social Services and Community Health that there will be no proclamation of Section 13, notwithstanding the establishment of the boards, unless the Ombudsman agrees. That is my understanding of what is said specifically: unless the Ombudsman agrees, notwithstanding whatever alternative might be favored by the government caucus, including the Health Facilities Review Committee.

The question I put to both the hon. Member for Edson and the Minister of Social Services is whether or not the government, in terms of deciding this kind of question, would consider a review by the select committee of the Legislature on the legislative offices. On several occasions, the Ombudsman has suggested he would like the opportunity of frankly discussing with the committee the role and powers of the Ombudsman.

It seems to me that if the proclamation of Section 13 were held up until such time as we had the consent of the Ombudsman, which I think is the crucial thing to accommodate the concerns expressed by all members of the committee — but in addition to that, since we have a select committee on legislative offices, it would seem to me appropriate, before Section 13 were proclaimed, that the Ombudsman have an opportunity to share his position on that matter with the select all-party committee of the Legislature. After all, Mr. Chairman, he is a servant of the Legislature, chosen by the Legislature, answerable to the Legislature, and there is a select committee established, representing all groups in the House, to review the role of the office.

MR. BOGLE: Mr. Chairman, one factor which should not be overlooked is that one of the reasons the amendment is before us today is to follow the practice established in an amendment to The Ombudsman Act several years ago in an attempt to ensure there be no misunderstanding as to the jurisdiction of the ombudsman relative to provincial general hospitals, hospitals which are not municipal, hospitals with boards that are elected across the province, like so many are, or private hospitals, but boards that are appointed through order in council on the recommendation of the Minister of Hospitals and Medical Care. Therefore this amendment follows the same general practice used several years ago in the amendment which we referred to.

I certainly don't want to suggest in any way that the

select committee should be restricted in its review. It may well wish to consider this matter, as well as others. I would remind the hon. member that a task force is being put together to review The Mental Health Act and subsequent amendments to that Act on a very broad basis. I'm sure this is one of the questions which will be looked at in greater detail relative to the forensic unit at the Calgary General hospital and other mental health patients across the province. What I'm basically saying, Mr. Chairman, is that there is certainly nothing preventing the select committee from undertaking that, but I for one could not urge my colleagues in this Assembly to add yet another caveat to what I believe is a very straightforward and practical alternative.

DR. CARTER: Mr. Chairman, I want to add a few brief comments with respect to the comments from the Member for Clover Bar. I see him smiling in his wisdom.

AN HON. MEMBER: His wisdom tooth.

DR. CARTER: His wisdom tooth, right.

The Social Care Facilities Review Committee has been in existence 17 months and in that time has made 562 visits. I've listened with interest to his comments, but I have to remind the member that we have a committee of 12 individuals who are very industrious. I'm pleased to be chairman of such a group that really is prepared to work hard. As the member well knows, only two members of that committee are members of the Legislative Assembly. The other citizens come from throughout the province and are very dedicated in their responsibilities. They have varied backgrounds and represent a very fine spectrum of the citizenry of this province. But one of the great things is that they're willing to work. That's why we see it reflected here that as of November 13 there are 562 visits in 17 months. You have to bear in mind that most of the visits are conducted by two members going out as a team; it's not the whole committee visiting a facility at once. So we're able to run a number of visits concurrently.

Another thing you might find of interest is that of course we have within the mandate of the committee a tremendous jurisdiction. For example, two members touring a day care facility doesn't involve the same amount of time as a visit to a hospital such as Ponoka. So when we have visits to other facilities, such as Ponoka or Oliver, we send more than just two members. From the time they go, they are probably there all day.

One of the things we've jealously guarded with respect to this committee — and it's in the legislation — is the fact that we can visit at any reasonable time of the day or night. So all our visits are unannounced, with the exception of monthly meetings at certain facilities. For example, I think in April or March I decided the whole committee should visit Michener Centre so the committee would have the experience of touring that facility. We then fanned out in groups of two or three and were there for the whole day. That's the only time we have announced visits.

One of the other things we've done on these unannounced visits is to go on Friday evenings. We may show up on any weekday evening. We're also prepared to visit on Saturdays. I haven't discounted the fact that we might appear at some of these facilities on Sundays. So we go to all the facilities unannounced. I jealously guard that we're not going to give notice to the larger hospitals in the province in particular before we visit. I would also like to assure the Assembly that when we do visit, we're not just

looking at surface things. Given the broad experience of the people on the committee, they are able to go around and ask fairly incisive questions. Yes, we need a familiarization tour on the first visit to a larger hospital — for example, Ponoka or Oliver — so we have some of the administrative staff take us around. But we soon ask them to leave us alone so we can go around the facility on our own and speak with staff, patients, and residents, whenever that's possible.

One other factor with regard to the matter of investigations and complaints. We have a fair amount of expertise on the committee, people who have had experience in those areas. At the same time, we're taking steps to have other people come in and give us some additional insights with respect to the investigative process.

Thank you.

MR. R. SPEAKER: Mr. Chairman, I really feel it's necessary in this area to have total assurance as to what is being said. I think the best way we could do it is to move an amendment to Section 13 and add a section (c). I'd like to move an amendment, which would read as follows: Section 13 comes into force on approval of the Ombudsman and the select standing committee on legislative offices. That would mean that both bodies, the Ombudsman plus the legislative committee, would have the opportunity of approving whatever happens in this area and assure ourselves that the right steps are taken.

DR. REID: Mr. Chairman, speaking to the proposed amendment by the hon. Leader of the Opposition, I think the concern he is expressing is the same one that was expressed with equal vigor by members of government caucus during discussion of the Bill. I had the same concern that he has. I am quite convinced that the confirmation given both by me in introducing second reading and by the Minister of Social Services and Community Health, providing the other people involved, namely the Ombudsman and the Alberta Union of Provincial Employees, are willing to have the letters tabled in the Assembly — those provisions and assurances should be ample to indicate to any present or future member of this Legislature that that particular part, Section 13 of the proposed legislation, will not be proclaimed without the approval of the Ombudsman.

The Ombudsman is an officer of the Legislative Assembly. He reports to the Legislative Assembly. I'm quite sure that no person appointed as Ombudsman in the province of Alberta equal to the present incumbent or his predecessor is going to approve the proclamation of that particular section unless he or she is perfectly content that the protection for patients in institutions is completely adequate. Therefore, I feel the proposed amendment by the Leader of the Opposition just adds an unnecessary layer to the protection already explained in full depth.

MR. NOTLEY: Mr. Chairman and members of the committee, while the assurance has been made by the hon. Member for Edson, as well as by the hon. Minister of Social Services and Community Health, that no proclamation of Section 13 will occur until such time as the Ombudsman agrees, it seems to me that before we authorize by statute the elimination of a jurisdiction that presently exists, there must be an opportunity for the Ombudsman not only to agree or disagree but to consult with the all-party select committee on legislative offices. There really isn't much point in having a legislative committee, given that responsibility and mandate, unless

the Ombudsman is free to share his views frankly with the committee. There may well be a difference at some point, three or four years down the road, between the government caucus and the Ombudsman. The Ombudsman may not want to agree, or perhaps he might want to agree subject to certain conditions.

That kind of thing is fine as a negotiation, if you like, between a minister and a deputy minister. That's a sort of interdepartmental thing, a minister dealing with his top lieutenant, which perhaps is not the kind of matter you would want to deal with formally in a legislative sense. But we're not talking about that, Mr. Chairman. We're talking about the mandate of the Ombudsman, who is a servant of all the members of the Legislature. Before that mandate is altered in any way, it seems to me it is appropriate, whether the Ombudsman agrees or doesn't . . . It may well be that the Ombudsman agrees. Let's use the other example: the Ombudsman agrees. I think it would nevertheless be equally appropriate that the Ombudsman come before the all-party select committee and share with all the members — not just the minister who can report to government caucus, but all the members of the committee, who are chosen by this Legislature for a particular role — the reasons the Ombudsman feels Section 13 should be proclaimed.

Mr. Chairman, frankly I doubt we're going to find an area where there would be any more concern among the general public that the rights of people be protected by The Ombudsman Act than the institutions we're talking about today. That being the case, it doesn't strike me as unreasonable at all, but totally consistent with the role, the mandate, of the Ombudsman, that before a change is made, before Section 13 is proclaimed, it be discussed with the all-party committee.

Frankly, Mr. Chairman, I don't see that that poses an obstacle to the members of the government, to the Ombudsman, to anyone. What it is, if you like, is an extra measure of safety, both in terms of the Ombudsman's position in dealing with the minister and the assurance to the public that before any change is made, a totally satisfactory method of reviewing complaints must be in place. The hon. Member for Edson pointed out the routes available in addition to the health services review committee. It's certainly no secret, and we needn't get into debate on the adequacy or otherwise of either the Health Facilities Review Committee or the social services review committee. What is important at this point, though, is that before Section 13 is proclaimed we and the public can be satisfied that it is not just a question of the government caucus. Because with great respect, the government caucus's relationship with the Ombudsman is no different from any other member. We are all equal in terms of our relationship with the Ombudsman.

In my view, before an Act is proclaimed which removes the Ombudsman's jurisdiction, that should be discussed with the all-party committee. Otherwise, why have the all-party committee? Why have the committee of the Legislature in the first place? That seems to me not an unreasonable imposition. If the government has worked out a satisfactory arrangement with the Ombudsman, it would seem to me to be a prudent course to follow in any event.

So I certainly support the amendment proposed by the Leader of the Opposition. I would ask the members of the government caucus if perhaps in the committee this evening the government would consider holding this Bill, rather than voting down the amendment in a partisan sense so we've got a few in the opposition saying yes and

the government saying no. Hold the matter; give it some thought. In my judgment, it does not add any burden to this process at all. It will give assurance that is consistent with the mandate of the Ombudsman.

AN HON. MEMBER: Mr. Chairman, when will we have copies of this amendment?

MR. CHAIRMAN: I only have the one copy here at the moment.

MR. MOORE: Mr. Chairman, while the member is distributing copies of the amendment, I'd like to make a couple of brief comments about the comments just made by the hon. Member for Spirit River-Fairview. The member has risen in a way that's not uncharacteristic of him and suggested that the hon. Member for Edson, who has put forward some comments about his and the government's commitments to the Ombudsman in relation to this Bill — the hon. member is suggesting, in no uncertain terms, that he doesn't believe the hon. member. [interjections] That's exactly what the hon. member is doing.

Quite frankly, he doesn't have the intestinal fortitude to stand and tell it like it is. If the hon. member can't for one moment suggest that the commitment made by the Member for Edson in this matter is one that will be followed through by that member in the government caucus, then why doesn't he stand and say so? Surely there is no reason to suspect that the commitment the hon. member gave to this Legislature a few minutes ago is not a commitment that will be kept. Frankly, Mr. Chairman, I think the hon. Member for Spirit River-Fairview has said nothing more than that he doesn't believe the hon. Member for Edson and the commitment he's made with respect to Section 13 and the alterations to The Ombudsman Act. Sit down until I'm finished speaking, if you don't mind. [interjections] I can see no other reason for the hon. member's conduct.

MR. CHAIRMAN: Order please. Will the committee please let the minister complete his remarks. Then everybody who wishes to speak will have the opportunity to do so.

MR. MOORE: We're dealing this evening with a commitment that's been made by the Member for Edson. We're dealing with a perfectly reasonable and rational proposal that's before the House. If the member wants to opt for the amendment by the Leader of the Opposition, point his finger, and make all kinds of gestures about the government acting in good faith, that's fine. Perhaps that's what we should do. But the member should be sincere and honest about what his real intentions are.

MR. NOTLEY: Mr. Chairman, on a point of privilege. I really can't allow that kind of absolute nonsense from the Minister of Municipal Affairs to go unchallenged. The fact of the matter is that we are dealing with a statute here. From what the Minister of Social Services and Community Health pointed out, in a rather more sensible response than we got from his cabinet colleague, we know perfectly well that there's a process that may take up to 18 months. We have no way of knowing what will happen in 18 months. There may be a totally different government. But we're dealing with a statute that is passed by this Legislature. I made it clear that I did not question the motives of the hon. Member for Edson. I'm reassured by

the statement the hon. Member for Edson made. But, Mr. Chairman, we are dealing with a statute. What this amendment is saying very clearly is that it is adding another part of the process which adds reassurance.

I don't want any comment left in the record of this committee that I am questioning the integrity of the hon. Member for Edson, or the integrity of the Minister of Social Services and Community Health. If the hon. Minister of Municipal Affairs wishes to debate the amendment, I suggest he debate the rights and wrongs of the amendment as he sees it, but not attempt to question the motive of any member of this committee. Frankly, that is totally unparliamentary.

DR. BUCK: Mr. Chairman, I would just like to say to the hon. Minister of Municipal Affairs, who seems to be carrying on in his paranoid manner, that there may be an election between now and when the thing takes effect. Who knows . . . [interjections] It's fine for this government to carry on in its arrogant manner. That's fine. They can do that. But their day will come, Mr. Chairman. Who is to say that the present minister will be in his position? There may be an election in the next six months. The minister may not be here. The Member for Edson may not be here. The Member for Clover Bar may not be here. Who knows? [interjections] What we are saying is that we want some safeguards in. That's what we're asking for. I don't think that's unreasonable. I don't think the Minister of Municipal Affairs has to become paranoid over something like that. That's our responsibility. That's what we're here for, Mr. Chairman. You cannot go on saying, we are the all-powerful government; you must believe us. Situations change. Ministers change.

If there is a general election, I know the Premier likes to play his little game of rotating chairs. About the time we get one minister trained, we have to train another one. I'm sure the minister of social development will not be in his portfolio after the next election, if he is a member of the Assembly. I am sure of that. The minister stood up pretty well under all the heat that's been in the kitchen, but that doesn't say we won't have musical chairs again.

Mr. Chairman, I'm trying to say that we have to be responsible as members of this committee. We have to be responsible as members of this Assembly. We must put in those safeguards. That's all we're asking for, Mr. Chairman.

MR. CHAIRMAN: Perhaps we could deal with the amendment if there's no one else.

MR. R. SPEAKER: Mr. Chairman, there was a suggestion a little earlier of maybe having a look at it before we just reject it. The addition, in terms of new requests, is the special legislative committee on legislative offices. If the minister sees something wrong there, maybe that could be dropped. But in terms of the Ombudsman, that is a commitment. In terms of the Legislature as a whole, I think our job is to set the ground rules as to how something happens. We put it into that legislation. My hon. colleague referred to something happening. Maybe all of us won't be here in the next Legislature. The history of Alberta has shown that all of a sudden a new movement occurs and we're all wiped out. Under those circumstances, as we leave the Legislature, we leave insurance in the legislation.

I'd certainly appreciate it if the minister would consider either part of the amendment or all of it if possible. If there is something wrong, we're open to that too. I think

it has some good common sense, at least as far as I can see.

MR. KOZIAK: Mr. Chairman, I've had the opportunity to look at the amendment, which appears in red ink. For all members who haven't had a chance to consider it, it would read: Section 13 comes into force on approval of the Ombudsman and the select standing committee on legislative offices. Now at first blush, I can see some motive behind this that is not necessarily improper. But I would like to put forward the suggestion that were we to approve such an amendment, we would be bringing into the whole legislative process a completely new concept: those who are not elected are legislators.

Of course members will appreciate the process by which law comes into effect under the British parliamentary system. A Bill such as Bill 70 is introduced. It's read a first time. It's read a second time, studied in committee, and given third reading. Then it's given Royal Assent. Now the Bill may provide that it comes into effect on Royal Assent or on proclamation, but the delegation of the proclamation goes to the Lieutenant Governor in Council.

This concept that a Bill, a section of the Bill, or some law of this Legislature, would come into force only upon the approval of a servant of the Legislature is completely foreign to proper parliamentary process and is not something this committee should consider in its recommendation to the Assembly.

MR. R. SPEAKER: Mr. Chairman, in response to that, it seems to complicate the matter more. The minister and the hon. Member for Edson have said to us that that will be the routine or the sequence of events followed. But it's not written. That's the way it comes into effect — on the approval of the Ombudsman. That's what we've been told. It doesn't say that in Section 13. We're taking the word of the minister and the hon. member. I think most likely that will happen.

There is nothing in here that talks about the timing of Section 13 alone coming into effect, as to when it comes into effect. Section 14 says: "This Act comes into force on Proclamation." That's the whole Act. But what we've been talking about is not said in Section 13. I think that's unclear at the present time. There is nothing in Section 13 that says Section 13 will be proclaimed, as the minister has said, after the Ombudsman has approved it. It cannot be proclaimed at a later date. I don't see that written into the Act. I think we should have a review of that section and make sure it says what we want it to say. I think we all agree on our objective. It's just that we're saying, let's put it into the Act, that's a good objective, and the government is saying, no, we can do it outside the legislation as such.

MR. BOGLE: Mr. Chairman, nothing in the current legislation sets out the process which will be followed as outlined by my colleague the hon. Member for Edson: that the first sections of the Act to be proclaimed would be those sections establishing the boards. My hon. colleague went on to state that six to nine months would elapse before further sections of the Act would be proclaimed to in effect transfer the operational authority of the two hospitals from the department to those two boards. That also is not stated in so many words.

What we do have, Mr. Chairman, is the assurance of the hon. member — as the mover of the Bill, which I have stood to support — in terms of a process to be followed.

The same assurances were given with regard to Section 13. During the process we've spent on this — and we've spent a good number of hours deliberating, because when we're talking about the rights of individuals, some of whom are being confined against their will, we want to be very sure that the steps being taken are in the best interests of those individuals and in keeping with general practices in other areas.

In his remarks, the hon. Member for Spirit River-Fairview spoke of anomalies. I hope I've clarified for him that, yes, there are a number of anomalies in the current system. That's one of the reasons we wanted an overall review of The Mental Health Act, 1972, and the amendments to that Act. That review will take place over the next period of time.

I do not believe that by adding further amendments, as proposed by the hon. Leader of the Opposition, we will add greater safeguards than we have in fact suggested in this particular piece of legislation. We are talking about a process that's going to be deliberately enacted in a very careful and cautious way, because we are concerned about the rights of the patients in those two facilities.

MR. NOTLEY: Mr. Chairman, on the matter. I would ask the Government House Leader if the government would consider holding it over. I think there might be some way of drafting the matter. I believe the Minister of Consumer and Corporate Affairs may in fact have a point in terms of the role of the Ombudsman. Certainly that wouldn't be relevant as far as an all-party select committee of the Legislature is concerned, because that part of the amendment would be consistent. The proclamation could be subject to any condition put within a statute, perhaps even including, I would expect, the matter of the Ombudsman directly being a part of it.

It may not be a precedent we want to follow. But at this point I am interested in pursuing with the government whether it could be held over for a day or two to examine if there is some possibility of this additional safeguard. We all agree on the objective. I don't think there's any doubt about that. I appreciate the statements by both the member and the minister, but at the same time we are dealing with a statute. And the minister makes the point — an important point — that this Section 13 deals with some pretty fundamental rights of those people who are confined against their will. That being the case, I think we have an obligation, as the Leader of the Opposition has correctly pointed out, to ensure that in addition to statements made in *Hansard*, nevertheless there is that additional safeguard in the legislation itself, because of all the reasons that have been pointed out — governments can change.

Mr. Chairman, I don't really see the advantage of moving immediately tonight. We have at least several days of the Legislature ahead of us, maybe even more. It would seem appropriate for the government to hold it over, give it some thought, and if it's possible look at an amendment with the law officers of the Crown that would satisfy the concern expressed. Fair enough. We can come back and deal with it. I would be of the view that if the Attorney General, the Government House Leader, or the minister puts to Legislative Counsel the proposal the Leader of the Opposition has made, then an appropriate amendment could be drafted which would satisfy our concerns here and the concerns of others in the province on this matter and, at the same time, achieve the objective the government has in mind.

MR. CRAWFORD: Mr. Chairman, perhaps I could respond to the hon. member and his suggestion, but first make a few remarks in regard to the matter. First of all, I adopt entirely the views expressed by the Minister of Consumer and Corporate Affairs in regard to parliamentary precedent and the inappropriateness of the Legislature in effect assigning a constitutional duty to any person, in particular a servant of the Assembly who is not an elected person. I think the argument by my colleague came through with considerable force.

I want to make two other observations. I have the understanding that the Ombudsman himself is happy with the proposal by the hon. Member for Edson. The second observation is in regard to the legislation itself and coming back to the nature of the proposed amendment. Legislation should declare what the Legislature intends the law to be, in the sense of the substantive law intended to be enacted. It should not deal with administrative arrangements by which its own laws may come into force. Here again, I refer to the observations by the Minister of Consumer and Corporate Affairs in regard to the acts of Royal Assent and proclamation, both of which are entirely familiar to all members and are the accustomed and, as we've heretofore seen, the only ways laws achieve their full force and effect. They are indeed the laws of the Legislature and not the laws of a designated individual armed, for a solitary purpose, with all the duties of the Assembly itself.

Now, some suggestion was made that Legislative Counsel might review whether or not the concerns could be met. Mr. Chairman, my view of the matter at present is that I do not believe any legislative Act, any amendment, is required in order to meet any concerns that may have been expressed. My understanding of Section 14 and its meaning — and the Leader of the Opposition raised this: it doesn't refer specifically to Section 13 coming into force upon proclamation, but only the Act does. My understanding — and I would check this with Legislative Counsel — is that those words are sufficient to say, in effect, that all or any part of the Act may be proclaimed after it's given Royal Assent and that it comes into effect at that time. I believe that is the law of Alberta at the present time. Therefore, pursuant to the undertaking made by the sponsor of the Bill, the proclamation would not have reference to this particular section when the balance of the Act was proclaimed.

On that basis, Mr. Chairman, I think the best thing to do would be to ask the hon. leader to proceed in this way. I have no objection to seeing the matter held in committee but would not like to see it with this amendment outstanding, and would suggest that the amendment be withdrawn and the Bill be held. After I report back on what Legislative Counsel has confirmed or otherwise in regard to my view of the law, the hon. leader could submit another amendment if he thought it important to do so.

MR. R. SPEAKER: Mr. Chairman, I think that's a good suggestion, and I'd certainly withdraw my amendment at this time. It's a good idea. The other question I didn't raise earlier was how parts of the Act could be proclaimed and other parts could not. I think you've addressed that question, and I'm certain you'll look into that further. I'm quite satisfied with what we've come to at this point. Very satisfied.

MR. CHAIRMAN: Then is it agreed that the amendment be withdrawn and that the committee follow the suggestion of the Government House Leader?

HON. MEMBERS: Agreed.

Bill 74

**Social Services and Community Health
Statutes Amendment Act, 1981**

MR. CHAIRMAN: There is an amendment to this Act. Are there any questions or comments with regard to the amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

MR. BOGLE: Mr. Chairman, I move that Bill No. 74, the Social Services and Community Health Statutes Amendment Act, 1981, be reported as amended.

[Motion carried]

[Mr. Purdy in the Chair]

Bill 52

The Banff Centre Amendment Act, 1981

MR. DEPUTY CHAIRMAN: Has the sponsor of the Bill, the hon. Member for Three Hills, any comments regarding the amendments?

MRS. OSTERMAN: Yes, Mr. Chairman, a very brief comment. Following the very extensive comments by the hon. minister in response to the amendments in Bills 50 and 51, I would only relate to the hon. members in the House that the amendments here more closely follow the amendments to Bill 51, The Universities Amendment Act, I believe. If the hon. members will recall the comments by the hon. minister at the time, these amendments in The Banff Centre Amendment Act more closely relate to that particular Bill.

[Motion on amendments carried]

MR. DEPUTY CHAIRMAN: Are there any further questions or comments regarding Bill 52 as amended?

[Title and preamble agreed to]

MRS. OSTERMAN: Mr. Chairman, I move that Bill 52, The Banff Centre Amendment Act, 1981, be reported as amended.

[Motion carried]

Bill 91

**Legal Profession
Amendment Act, 1981**

MR. DEPUTY CHAIRMAN: Are there any questions or comments to be offered with respect to any sections of this Act?

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill No. 91 be reported.

[Motion carried]

Bill 72
Consumer and Corporate Affairs
Statutes Amendment Act, 1981

MR. DEPUTY CHAIRMAN: Are there any questions or comments to be offered with respect to any sections of this Act?

[Title and preamble agreed to]

MR. LITTLE: Mr. Chairman, I move that Bill 72 be reported.

[Motion carried]

Bill 82
Mortgage Brokers Regulation
Amendment Act, 1981

MR. DEPUTY CHAIRMAN: Are there any questions or comments to be offered in relation to any section of this Act?

[Title and preamble agreed to]

MR. KOZIAK: Mr. Chairman, I see that you move right along.

I move that Bill 82, the Mortgage Brokers Regulation Amendment Act, 1981, be reported.

[Motion carried]

Bill 86
Employment Standards
Amendment Act, 1981 (No. 2)

MR. DEPUTY CHAIRMAN: Are there any questions or comments to be offered with respect to any section of this Act?

MR. NOTLEY: Mr. Chairman, I have copies of an amendment to Bill 86 for members of the committee.

This Bill is amended as follows: a new Section 11, which is the repeal of Section 32, is added after Section 10. Mr. Chairman, members may not have the present Employment Standards Act, so I will read Section 32:

The Director may issue to the employer or prospective employer of an individual who is handicapped a permit authorizing

- (a) the employer to pay the individual a wage at less than the minimum wage to which he would otherwise be entitled, and
- (b) the prospective employee to receive less than the minimum wage

if the Director is satisfied that the proposed employment arrangement between the employer and prospective employee is satisfactory for both of them in all the circumstances.

Mr. Chairman, the amendment would remove Section 32 which, to summarize, allows the director to authorize less than a minimum wage to disabled people. Essentially, under the present legislation, it is permitted that people working in rehabilitation centres can be paid anywhere

from a minimal wage to the minimum wage. In my view, the question is simply whether disabled people should subsidize their own employment. Surely that is not an acceptable proposition. If working is done as a social service then, in my view, it should be appropriately subsidized from the department. To ask disabled people to work for less than the minimum wage means that they are subsidizing their own employment. I think that's totally wrong in principle.

Mr. Chairman, we dealt with this matter a year ago when we discussed The Employment Standards Act in the fall of 1980. Essentially the same arguments were presented then, but I feel strongly about them and would offer them again to members of the committee. If in fact we are to have training programs available, then we should be making grants to employers so the costs are covered. I'm saying that the costs should not be covered by paying people less than the minimum wage. Surely, if we're talking about the disabled and the handicapped, it is just not an acceptable proposition that they should be receiving less than what is already a very modest minimum wage in this province. There's no doubt that in some cases it's just not feasible for employers to engage people at the minimum wage. But that means there's an obligation on the part of the government, through Social Services or training programs, to make funds available so employers will engage people who otherwise wouldn't be working. But without going into several instances that have occurred in the last two or three years, let's not have the situation where people who are handicapped themselves have to subsidize their own employment.

Mr. Chairman, this proposal would make it clear that the objective of employing the handicapped would be there, but it would be financed, as it properly should be, through either training programs or Social Service programs, not out of unsatisfactory wages that are below the minimum wage.

MR. WEISS: Mr. Chairman, if I may speak for a minute against the amendment. I would like to suggest to the hon. Member for Spirit River-Fairview that I'm sure his intentions are correct, but I would suggest, too, that specifically this does not apply to the proposed Bill 86, and that particular legislation is subject to review at any time. I would suggest that perhaps he would review this at another time, and that Bill 86 does not deal with that specifically, as with other issues mentioned previously by the Member for Spirit River-Fairview. In view of the proceeding, I would suggest that we follow through with Bill 86.

MR. NOTLEY: Mr. Chairman, on that matter. When we open a Bill for reassessment and amendment, it's not just the several clauses the government chooses to amend that are subject to debate. If an amendment is proposed that would add a further change, that is perfectly appropriate. I would just say at this stage that now that we've opened up The Employment Standards Act and are discussing the amendments the government has introduced, it's my very strong view that we might rectify a problem which, in my assessment, exists in the present legislation. We should repeal Section 32, and that's why the amendment is before the committee.

MR. CRAWFORD: Mr. Chairman, I don't disagree with the view that when an Act is opened there is a certain latitude in regard to what amendments might be made in committee. Amendments are made in committee all the

time. But there is a principle which is very clear, and in this situation I think the hon. Member for Lac La Biche-McMurray has correctly stated it. Only a subsequent Bill could deal with a proposed change, addition, or amendment of a certain character. The committee stage is not sufficient to deal with certain types of additional changes or amendments. We occasionally find that because of advice, a number two statute comes in in a year instead of an amendment in committee stage. To state the principle as clearly as I can, because I think probably there are moving parameters to that rule, it must be of the nature of the Bill before the Assembly and consistent with the subject matters and the train of thought of that Bill. So to be consistent, some aspect of what is raised by Bill 86 would have to be the item chosen to be amended. In this case, I think the observation that since this issue in respect to handicapped persons does not appear at all in the Bill, it would not be a suitable amendment.

Mr. Chairman, I haven't tried to address myself to the larger issue of the merits of proposals of this type, which indeed the House has previously discussed, but would just make the point on what I believe to be the correct procedure. And explicitly, perhaps, in what I say, I would urge hon. members not to vote in favor of such an amendment.

[Motion on amendment lost]

MR. NOTLEY: Mr. Chairman, I have another amendment, also copies for all the hon. members of the committee. I'm sure this amendment will be addressed with its greater interest, because it deals with such questions as holidays. [interjections]

MR. DEPUTY CHAIRMAN: Order please.

MR. NOTLEY: Mr. Chairman, to outline the second amendment to Bill 86, the Employment Standards Amendment Act, 1981 (No. 2), the Bill would be amended as follows. Section 21, dealing with hours of work: striking out "44 hours" wherever it occurs, and substituting "40 hours".

The following is added after Section 27:

- 27.1 Notwithstanding sections 21 and 27 no employee shall be required to work more than 8 hours in . . . one day, nor more than 40 hours in one week unless the employer and employee agree otherwise.

And Section 28 is repealed and the following is substituted:

28. An employer shall allow his employees at least 48 consecutive hours of rest every week unless the employer and the employee agree otherwise.

Mr. Chairman, in this Bill we are dealing with matters concerning holidays, vacation pay. As I see it, if anything would come within the purview of the Bill, it would be the amendments I am proposing. So this time we're going to have to deal with the rights and wrongs of the three separate amendments.

The first amendment deals with the maximum non-overtime hours of work per week. This would reduce the work week to 40 hours; after that overtime would have to be paid.

The second amendment:

- Notwithstanding sections 21 and 27 no employee shall be required to work more than 8 hours in any

one day, nor more than 40 hours in one week unless the employer and employee agree otherwise.

This section eliminates compulsory overtime. As the Act presently reads, there can be four hours of compulsory overtime per week. I think the time is long past when an employer can arbitrarily determine the days on which an employee works overtime. In addition to that, there are safety considerations with respect to compulsory overtime.

Mr. Chairman, this has been given a good deal of publicity because of the difference between the McMurray Independent Oil Workers Union on one hand and Suncor on the other. But I would point out that the amendment would not just deal with the situation at Fort McMurray. There is a collective agreement at Fort McMurray at the time, and I understand that agreement expires in May of next year. It's quite possible that the whole question of compulsory overtime will be a very crucial part of the negotiations between the McMurray Independent Oil Workers and Suncor. I'm sure of that. But we're talking about legislation here that will be dealing with many tens of thousands of people who aren't organized. I think that over 70 per cent of the work force in this province is not organized. If we're going to have overtime, the point I want to make and that people have brought to my attention, Mr. Chairman, is that it should be a result of the agreement between the employer and the employee, not the right of the employer to say you will work the overtime or else. There has to be an agreement. While this has been given the focus of public attention as a consequence of the controversy raging in Fort McMurray at the present time, I think it has ramifications far beyond Fort McMurray.

I note that the Minister of Labour, in his response to my observations on second reading, took some time to deal with the Fort McMurray situation. It may well be that that will be rectified as a result of a new collective agreement. But we're talking about legislation that deals with all the people in this province and sets basic standards, certainly legislation which is the only protection unorganized people have. So it should be examined not just in the context of the situation in Fort McMurray but on a broader basis of what is needed in Alberta generally, in particular for people who aren't protected by unions.

The final part of the three amendments is the proposal with respect to Section 28. It would be repealed and the following substituted:

An employer shall allow his employees at least 48 consecutive hours of rest every week unless the employer and the employee agree otherwise.

Now there could well be split holidays; fair enough. But again it says, as a result of an employer and an employee agreeing. If it's a case of Wednesday and Sunday, that's fine. It's an agreement. But it's not a situation where there is an arbitrary decision on the part of the employer.

The Act presently states that an employee can be made to work up to 24 days without a day off. This amendment ensures that an employee will not work more than five consecutive days unless he or she agrees to it. As I mentioned, Mr. Chairman, the proposed amendment simply enforces a statutory provision that there has to be an agreement between both the employer and the employee. The other day when we discussed this matter during second reading, the minister quite properly pointed out that in most cases where you have a collective agreement in force, it's much better to let the parties live by the collective agreement. And that's true. But what this amendment does is simply set out a statutory provi-

sion which recognizes that the question of rest, the 48 hours every week, should be a matter of free choice between the employer and the employee agreeing, and if there's to be any change in it, the basic rights should be there.

Mr. Chairman, I underline that we're dealing again with people who, for the most part, don't have the benefit of collective organizations to back them up. That's a substantial number of Albertans who must rely for their protection on The Employment Standards Act. It's my view that the three amendments I've suggested would strengthen the position of those tens of thousands of Albertans who aren't protected by unions at this time, and I think would merit the support of members of the committee.

MR. WEISS: Mr. Chairman, I would like to respond to the hon. member's remarks. In particular, he refers to sections 21, 27, and 28 in The Employment Standards Act. I would suggest that perhaps the hon. member is attempting to introduce some overtime into the Bill itself. My opinion would be that it would not be an attempt to deal with any of the proposed amendments as outlined in the Bill.

Specifically, I would like to draw to the hon. member's attention that under vacation pay and the sections he's referring to, I think page 2 would clarify those particular points: the method of termination, and vacation under the two weeks on a proposed 4 per cent of the employee's wages for the given year. That has no reference to or direct bearing on the suggestion as to overtime. I'm quite familiar with the arrangements and some of the problems that have arisen within the McMurray constituency and the city of McMurray as well.

I hope, too, that in the collective bargaining process and some good solid negotiations these areas will be resolved. At this point, I do not believe it will have to take legislation to do so. Mr. Chairman, I would also like to point out to the hon. member that I think some good solid discussions are going on at this time with all the parties involved. I'm very confident that all the parties have brought their intentions to the table in an honorable manner, and we hope they will resolve that particular concern.

On page 2, where we're talking about the time as far as flexibility is concerned, where an employee is able to set up his vacation period, this allows the employee and employer to work to their mutual benefit. Where the present Act says, thou shalt be due back on the first day after a holiday period, I think it's been a little one-sided. This creates no other change and permits flexibility between the two persons involved. Hopefully, dropping sections (b) and (c) in that particular Act will simplify or clarify it. But once again, I would like to emphasize to all members of the Assembly that the amendments outlined by the hon. Member for Spirit River-Fairview as A, B, and C have no bearing or distinct relationship to the Bill as presented to the Assembly this evening.

MR. PAHL: Mr. Chairman, speaking to the amendment, it seems as though the hon. Member for Spirit River-Fairview is somewhat out of touch with realities in our province. Certainly, although we are a high income earning group, I see the effect of this amendment A as cutting 10 per cent off the average working person's wages. Now I'm not sure that bold stroke on behalf of the workers of Alberta will be totally appreciated in the area of Edmonton Mill Woods, where if there's not an opportunity to

work 44 hours of straight time, it'll be 40 hours. That's 10 per cent off. Now I don't know how the hon. member is fixed, but I think a lot of working people will find some difficulty with his generous amendment.

I'd also like to place a question with the member proposing the amendment. I've sold my concrete business, so I'm not in conflict here, and I'm not representing a vested interest. I wonder how the hon. member would take me out of my dilemma of, say, a year and a half ago, where we're pouring three or four precast concrete slabs — they have a retail value of about \$10,000 each — and the cement truck happens to be late. The workers wait around for six of the eight hours and then have four hours of concrete finishing to do. Here we are. No employee is going to "be required to work more than eight hours in any one day . . . unless the employer and employee agree otherwise." So according to this amendment, everybody goes home, \$30,000 worth of product is spoiled, and life goes on evermore. Well, I'm just not sure that's a very workable solution.

I'd like to have the hon. member proposing this amendment explain to me, and I'm sure others formerly in a business where there were some time-dependent activities, where circumstances beyond one's control dictate that there be more than eight hours work in a day — are we going to have a sort of round-table meeting to decide whether we're going to finish cement, or are we going to get out and finish the job? Those two things trouble me. I don't think people are going to appreciate losing the opportunity for 10 per cent of their income in a work week. Secondly, I don't think people are going to appreciate losing their livelihood, because all of a sudden you have to have a conference and a negotiation to decide whether you're going to finish the work that needs to be done at a particular jobsite. I wonder if the mover could explain those two, please.

DR. REID: Mr. Chairman, I'd like to address some remarks to these proposed amendments as well. At the moment in this province we have very many industries which, because of the capital cost or the technicalities of the operation, work on a continuous 24-hour, seven-day-a-week basis. I can think of oil refineries, gas plants, paper mills, power plants, petrochemical plants, hospitals, and coal mines. In those plants, one is looking at covering 168 hours a week, or 21 eight-hour shifts. If we adopt the proposed amendment B, where it says not "more than 40 hours in one week unless the employer and employee agree otherwise", one would have to have the agreement of every individual employee, because in The Employment Standards Act an employee is defined as an individual employed to do work who is in receipt of or entitled to wages.

Under those circumstances, the employer would have no certainty at any time of covering that 21st shift in the week, if they were on an eight-hour day. There are other problems. If the majority of the employees in a plant decided to go to four 10-hour shifts to give them 40 hours a week, any individual employee would be entitled to say, no, I'm going to work five eight-hour shifts. Or if they decided to go on a four times 12 followed by three times 12 shift schedule, again any individual employee presumably would be able to opt out of that.

Amendment C concerns many employees in the constituency I represent who live some distance from the city. Because of the ability to have two short shift changes between the day and evening shift, between evening and night shift, they can subsequently have a four-day break

in their otherwise continuous employment, which enables them to go to the city of Edmonton or even to the coast.

So in fact the amendments proposed by the hon. Member for Spirit River-Fairview may work a considerable hardship on the employer and his ability to compete in the North American market, or indeed in the international market, because of the uncertainty of having employees on many different shift schedules. It also could work a considerable hardship upon the employee, the individual. For that reason, I urge rejection of the proposed amendments.

MR. NOTLEY: Mr. Chairman, if I could just make a couple of observations in concluding debate. First of all, dealing with the observation made by the hon. Member for Edmonton Mill Woods that proposal A would be striking off 10 per cent income, I point out that if the hon. member has an opportunity to read Section 21 of The Employment Standards Act, by substituting 40 for 44 in fact we are making it possible for overtime to be paid earlier. I think most of the people he's concerned about in his constituency would be rather pleased at that, not upset. Rather than reducing their income by 10 per cent, it would probably increase it.

The point the hon. Member for Edson made would be valid if this amendment said there would be an automatic 48 consecutive hours in every week. If I'd made that proposal, I certainly agree that it could add a hardship to the employer and would be a little silly as far as the employees are concerned. But I would just underscore the fact that this is saying, shall be at least 48 consecutive hours every week "unless the employer and the employee agree otherwise". Certainly in most instances, like the examples the Member for Edson raised, you're going to find that the employees are quite happy to agree otherwise, because it allows them flexibility. But the point is, Mr. Chairman: is this going to be done totally at the discretion of the employer, or is it going to be done as a result of discussions between the employer and the employee? Is it the result of unilateral action of the employer, or is it the result of mutual consent?

Mr. Chairman, the amendments I have proposed very clearly introduce the concept of mutual consent. In most cases, especially in rural Alberta, you're going to find no particular problem. I can think of some communities where the day the stores are closed is Wednesday, so it would make simple sense that the holiday be Wednesday and Sunday. You're going to have consent between the employer and the employee on that, otherwise the days of the work week are reduced. People aren't going to earn as much, so they're going to agree to it. But as I say, the amendments introduce what I consider a valid proposition, and that is that there should be mutual agreement between both the employer and the employee on matters such as overtime and days off.

MR. WEISS: Mr. Chairman, before we close debate, with regard to a couple of points mentioned by the hon. Member, I would be very lax to sit and accept his explanation with regard to loss of pay and, in particular, overtime. The hon. member was quick to point out that the hours of work in excess of eight each day would be reimbursed at an overtime rate, which of course would mean more earnings or more dollars and cents to the employee. But I think that should be considered in a very serious manner by the hon. member. Perhaps he hasn't taken into consideration the many small business firms that would be affected by this drastic increase if they were

forced to accept such a measure. I can appreciate both labor and small business are involved, but the service sector, in particular in rural Alberta, would not be in a position to take on such a venture. I am sure they would adjust their hour level to 40 rather than pay for that extra four hours on an overtime basis. It's nice to be philosophical and say, it's great these people would be making more money, but I'm sure the opposite would be the result of it, Mr. Chairman. And as the Member for Edmonton Mill Woods has pointed out, in actual fact their net take-home pay would be significantly less. In view of the high interest, the economy, and the overall earning power, there is just no way small business could afford to pay those extra dollars.

It should also be noted when we talk about hours in relation to negotiations or working it out with the employee and employer, being a small business person myself at one time, I can certainly understand it would be very easy to deal with a staff of three or four people, as the hon. member would lead us to believe, but it certainly would not work out in the case where there are 200 or 300 people. I could imagine an employee, foreman, or subforeman trying to sit on a shift change on a Friday night to say, gee, will you work or will you not work. We'd face such disastrous effects in the industry, in the overall working relationship I think we have built and developed in the labor market today. It's the protection and the benefits we have in The Employment Standards Act and others that allow these things to continue. If there are significant changes that should or could be made, I suggest they be brought in in a forthright manner and presented.

In the meantime, I would like to mention to all members of the Assembly that The Employment Standards Act and the benefits are covered through bulletins, brochures, and manuals, and in particular bring to the hon. member's attention that if any of these changes should have been brought forth, they could have been presented in a Bill rather than an amendment at this time that has no bearing whatsoever on the proposed Bill.

Thank you, Mr. Chairman.

MR. KNAAK: Mr. Chairman, I think a couple of points need to be addressed. I'd like to speak on the aggregate here, rather than on the very narrow point. I've noticed over the years that generally the socialistic policies of both the Member for Spirit River-Fairview and his national colleagues, who are very similar in their policies, believe you can have more by doing less. It's a catchy kind of thing. Most of us have an immediate liking for that kind of approach, unless we look into it and see that it doesn't really work. I think it's no secret that Canada's performance, in terms of productivity gains, growth, inflation, and balance exchange, has not been outstanding. As a matter of fact, it has been one of the lowest in the world. Sometimes I ask myself, where would we be if we didn't have all the resources, so much land per capita, so much oil and nickel per capita? Well, we wouldn't have very much. And here we have an attitude reflected by the Member for Spirit River-Fairview which suggests that if we do less, we can have more. He just pointed out that you work less, get overtime, and you earn more. What is income when you talk about the national scale? The only thing that's income is what we as Canadians produce. After we produce it, we can divide it. Our incomes buy that. Just because we get more money income doesn't mean we can purchase more. This is one of the suggestions we have here.

The second element that creates some concern is this kind of approach: management on one side, labor on the other, and they should talk. In most businesses, the person who is giving the instructions with respect to whether or not you should work is an employee who is a leader among his group and who tries to get the job done. Although this may not apply to farms, I think our farmers are a group of people who demonstrate what hard work can accomplish. They work more than eight hours a day, they don't take two consecutive days off in the week, and we in Canada still have the most efficient farming community in the world. And that's why; because they work hard. What I really would like to see, and members have suggested it before, is greater participation by labor in management and ownership. I think we require a team approach. I think Canadians need to work harder and expect less, and then we'll solve our inflation and productivity problems.

MR. NOTLEY: Mr. Chairman, as the mover of the amendment, a couple of observations in concluding debate. I certainly share with the Member for Whitecourt the view that there should be more co-operation between labor and management; no question about that. Throughout these three amendments are the views, very clearly set out, where the employer and the employee agree. So it's a two-sided coin here. There should be co-operation between labor and management.

The Member for Edmonton Whitemud talks about getting more for doing less. Well, Mr. Chairman, keep in mind that we're talking about legislation here that sets the absolute minimums. The Member for Edmonton Whitemud is well aware that there are virtually no collective agreements in this province that don't have benefits incomparably better than this, in terms of vacations, hours of work, and time off. What we're talking about, Mr. Chairman, is not the majority of collective agreements. We're talking about the basic minimum. When the member says that somehow we're going to ruin the economy of the province because we're going to set out better opportunities for unorganized people, for those people who don't have the benefit of unions to back them up, in my view that is sophistry at best. The fact of the matter is that in most agreements, many years ago, we set out 40 hours and then overtime in terms of hours of work. In some cases now, as the Member for Edmonton Whitemud is well aware, we've gone much beyond that in terms of collective agreements. Those are in the very industries that are most prosperous in the economy today, to a large extent. So to suggest that because we're going to allow people who work in 7-Elevens and waitresses and those individuals in our economy who don't have the benefit of unions to have at least a little better break, in terms of when overtime is paid, somehow that's going to ruin the economy is just absolute nonsense, in

my view. That these people are going to be demanding too much, because all they are asking is to catch up with what other provinces have done a long time ago, is in my view a rather interesting comment, but certainly not one which would be well received by working people in the province.

I just conclude my observations on the proposed amendments, Mr. Chairman, by saying that all three amendments recognize there should be a process, if you're talking about overtime, holidays, or time off, which involves the agreement of the employer and the employee. If not, there should be minimum standards set out which are comparable to minimum standards in other provinces. I'm not suggesting standards here that would make this province uncompetitive with other provinces — just minimum standards comparable to other provinces. Frankly, Mr. Chairman, I would say that in fairness to the unorganized people in the province, these amendments are long overdue.

[Motion on amendments lost]

[Title and preamble agreed to]

MR. WEISS: Mr. Chairman, I would so move that Bill 86, the Employment Standards Amendment Act, 1981 (No. 2), be reported.

[Motion carried]

MR. CRAWFORD: Mr. Chairman, I move the committee rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of the Whole has had under consideration the following Bills and reports the following: Bills 60, 68, 91, 72, 82, and 86; reports the following with some amendments: Bills 50, 51, 73, 74, and 52; and reports progress on Bill 70.

MR. SPEAKER: Having heard the report, do you all agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, the House will not sit tomorrow evening. As to government business on Wednesday, I'll be able to give some indication of that tomorrow afternoon.

[At 10:35 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

