

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Monday, November 30, 1981 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

**head: PRESENTING REPORTS BY  
STANDING AND SELECT COMMITTEES**

MR. KOWALSKI: Mr. Speaker, on May 22, 1980, the Legislative Assembly approved a motion setting up a select committee to review matters pertaining to surface rights in Alberta. The motion also directed that the report of the select committee was to be tabled during the 1981 fall sittings of the Legislature. I am pleased to table the report today and, in doing so, would as well like to acknowledge the very important contributions made to the people of Alberta by the eight members of the Assembly who served on the committee with me.

Thank you.

**head: TABLING RETURNS AND REPORTS**

MR. LOUGHEED: Mr. Speaker, on Friday in the Legislative Assembly, I agreed to table a document I was referring to on a matter before the House that day, which was the actual request for decision P7-81 of the Department of Environment with regard to water and land resource development. I file these copies with the Assembly on the understanding that they're not filed by way of precedent, in that they are internal management documents of the government, but because documents that were draft documents of the same nature were in possession of members. This is the actual document presented to the priorities committee of cabinet on November 16. It's tabled on that basis and not with any precedent in mind.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. BOGLE: Mr. Speaker, it's a privilege for me today to introduce to you, and through you to members of the Assembly, a second-generation Albertan who has been involved in preserving our heritage and our past. I'm referring to the operator and curator of the Altamont Museum at Coult's who has devoted his life to preserving artifacts in Alberta, and his parents did the same. Before asking Mr. Schultz to stand and receive the welcome of this Assembly, I might mention in addition that his restaurant, which is attached to the museum, makes the best darned hamburgers in southern Alberta. Mr. Schultz, would you please stand?

MR. R. SPEAKER: Mr. Speaker, I'd like to take the opportunity to introduce three guests who are very special people in the heart of a member who I understand is going to retire or be in the Legislature for the last time today. I know that the three people, who are sitting in

your gallery, Mr. Speaker, have been very special to Bob Clark in his responsibilities as a member of this Legislature. I'd like to very quickly introduce them to all members. I'm sure most members are familiar with these people, but I'd like to place it on the record as well.

First of all, I'd like to have Norma Clark stand. As we all know, Norma is Bob's wife. At this point in time, we know Norma is going to have Bob home a little more. But after the first day, she really doesn't know what she is going to do with him. I'd appreciate very much if Norma would stand at this time.

The other two people have worked very closely with Bob in his legislative responsibilities. Jan McKee has worked for a number of years with Bob since the time he was Minister of Youth, and has been an excellent help and public servant in that responsibility. I'd like Jan McKee to stand. The third person, Miss Dorothy Hope, was secretary to Mr. Aberhart, Mr. Manning, Mr. Strom, and as well Mr. Clark. She served four Social Credit leaders in the province of Alberta, and knows all the behind-the-scenes stories and the stories that have been in the public. She tells me they're all good. I'd like Miss Dorothy Hope to stand and have the Assembly recognize her at this time.

**head: MINISTERIAL STATEMENTS****Office of the Premier**

MR. LOUGHEED: Mr. Speaker, today I wish to announce a \$136 million beef cattle and sheep support program. This program is designed to assist a sector of the livestock industry which has faced a critical situation over the past two years.

Alberta is endowed with a number of natural advantages which enable our producers to provide over 43 per cent of the beef for Canada, and we have no intention of allowing the farmers of our province to lose their competitive position to other regions in the country. We recognize that support programs have been established in other provinces and, in the absence of any meaningful national stabilization program, we feel it is essential to implement a program that will provide stability and will reinforce the long-term viability of the Alberta beef industry.

Agriculture is basic to the Alberta economy. Our livestock industry is an essential part of it and makes up over 40 per cent of the gross income of our agricultural economy in Alberta. We rely on livestock as well to consume a significant part of our feed grain production. In respect to processing, the packing plant industry employs over 5,000 people in this province. In their constituencies, many members of this Assembly are involved with that industry and that employment factor. The government has been concerned that cattle feeders, confronted with declining cattle prices, have suffered serious financial losses over the past two years. Cow-calf producers are facing a similar situation this fall, with calf prices well below last year's level. In recognition of this situation, a major objective of the program is to maintain the breeding herd and bring some stability to the cattle industry.

Details of the beef cattle and sheep support program, developed by the Minister of Agriculture together with the government caucus agriculture committee, are as follows. First, with regard to the cow-calf operators, producers will receive \$50 for each bred cow and bred heifer, based on 90 per cent of the herd number as of September 1, 1981.

Yearling feeders: a payment of \$4 per hundredweight will apply to feeder cattle and calves that were purchased and owned for a minimum of 150 days, and then resold as feeder cattle between December 1, 1980, and November 30, 1981. These have come to be known by a new term: "backgrounders".

Third, fat cattle feeders: a payment of \$4 per hundredweight will apply to all grade A, B, or C slaughter cattle sold between December 1, 1980, and November 30, 1981. Fourth, sheep producers: a payment of \$10 per head will be made to eligible producers on all lambs sold for slaughter between December 1, 1980, and November 30, 1981. Further details and requirements will be provided forthwith by the Minister of Agriculture.

Mr. Speaker, I would stress that this one-time support program, which addresses a short-term problem, is not a solution in itself. Cattle industry representatives have stressed the need to work on a long-term strategy, and this government is prepared to assist wherever possible. Beef market development and market promotion is one important long-term program, and the Alberta government will provide \$3 million over the next three years to assist the cattle industry in this important endeavor. Steady improvement in Canadian consumer demand is an essential factor in the recovery of the cattle industry.

In conclusion, the beef cattle and sheep support program was developed in co-operation with producer representatives, and we feel the program will provide stability to an important part of Alberta's agriculture industry. [applause]

MR. MANDEVILLE: Mr. Speaker, I want to say that we on this side of the House appreciate this announcement. I'm certain it is really going to help our cattle industry in this province. I'm pleased that it covers all aspects of the industry, including the sheep industry. I think it was very wise to take that into consideration. We are now supporting some of our red meats, and if you support one industry, you have to support them all. We on this side of the House certainly appreciate it. We think it's timely and will certainly help the industry in the province of Alberta, and to retain the beef in Alberta.

I was very concerned, and I've taken many surveys in this province on the effect other provinces' programs were going to have. We have 42 per cent of the beef here. With a program like this, we'll be able to retain the beef in Alberta. It's a very important industry in the province of Alberta.

I don't know whether it was intentional by the hon. Minister of Social Services and Community Health, but I'm pleased to see Mr. Shultz here today. Possibly he will be able to provide us with some cheap hamburgers in the future, or some hamburgers anyway.

We on this side of the House appreciate the announcement, and I'm sure it's going to be appreciated not only by the cattle industry in Alberta but by all Albertans.

#### head: ORAL QUESTION PERIOD

MR. R. SPEAKER: Mr. Speaker, I don't want to start question period with any kind of rumors, but on the way to the Legislature Building I heard that the hon. Minister of Education got caught in one of his computers. [laughter] [A reference to Mr. King's hair style]

MR. DIACHUK: Mr. Speaker, may I assure the hon. Leader of the Opposition that my office has not received a work-related accident report to this time.

#### Health Care Insurance — Doctors' Fees

MR. R. SPEAKER: Mr. Speaker, in a more serious vein, I'd like to direct my first question, with regard to the negotiations going on between the medical people of Alberta and the government at the present time, to the Minister of Hospitals and Medical Care. Can the minister indicate the status of the negotiations? Are they even continuing since the start-up from the stalemate last Friday?

MR. RUSSELL: Mr. Speaker, all I can say is that they're ongoing. They had a good meeting on Friday, and they have scheduled another meeting.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether the meetings are continuing today? Secondly, one request of the AMA is for recognition as a permanent bargaining agent for Alberta doctors. Is the government reconsidering its stand with regard to that matter? Will it be a matter injected into the negotiations?

MR. RUSSELL: Mr. Speaker, I think everybody in the province understands that the negotiations have reached an important point. For that reason, I think it would be inappropriate for me to comment in detail on any specific item, other than to say that both sides are at the table. They're scheduled to meet again Friday afternoon of this week. They have been meeting regularly on Fridays since the middle of September, and negotiations are ongoing.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister, with regard to the workshops going on and the concern that there may be a lack of medical care in the province of Alberta. Is the minister monitoring that work slowdown? Could the minister report what implications there have been with regard to medical care, relative to the work slowdown?

MR. RUSSELL: Mr. Speaker, the AMA itself has said they won't take any actions that will endanger the health of Albertans, and I have to accept that. I recognize there has been some inconvenience and annoyance in certain parts of the province. As far as monitoring the situation is concerned, we have not done that. I'm only going by the calls I get in my office, and I'd have to say there are people who are annoyed to a degree, but nobody's health care seems to be suffering. Two instances have been referred to the College of Physicians and Surgeons, and they've responded very positively.

#### Programs for the Disabled

MR. R. SPEAKER: Mr. Speaker, my second question is to the Minister of Social Services and Community Health. I've had some consumers of programs relative to the disabled speak to me in the last week. I raised this question with the minister earlier. One of their concerns still is the involvement of the disabled consumers in establishment of programs.

The minister has indicated that the caucus committee would serve part of that purpose, and that the minister's office would as well. I wonder if the minister has reconsi-

dered that matter in light of the concerns that come to me, and I'm sure to his office, that there is inadequate communication and consultation at the present time. Has the minister considered looking at other formats?

MR. BOGLE: Mr. Speaker, I believe it was November 13 that the hon. Leader of the Opposition asked similar questions in this Assembly. At that time, I indicated that correspondence had gone from my office to the president of one such group. To date, no reply or response has been given relative to that letter.

I will reiterate my willingness, as one of the ministers involved, to meet with representatives of that particular group, as I have in the past. I would also be prepared, with the permission of the organization in question, to make copies of their correspondence available to this Assembly. In it they have very clearly indicated there are a number of practices and procedures which they haven't found acceptable, including meeting ministers one on one as well as caucus committees. I'd like to further discuss with the members of that group exactly what part of the procedure they aren't happy with. I can't do that, Mr. Speaker, until I hear from the said organization.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Recommendation 101 of their report is to change that format. The hon. minister has mentioned the matter with regard to the caucus committee. In my checking, I understand that the caucus committee has met with the various groups only once a year, and often only two or three members of the caucus committee are in attendance. It seems like it's very sporadic and not regular, and not regular membership. I wonder if the minister is reviewing that matter in looking at recommendations by which this group can better communicate with government.

MR. BOGLE: Mr. Speaker, I'll certainly take that as advisement and discuss the matter more fully with the chairman of the said caucus committee. I have been involved in parts of at least two meetings with the said group, and I can assure the hon. member that the attendance was considerably higher than two or three.

MR. R. SPEAKER: Mr. Speaker, I would appreciate if the minister would check the latest caucus committee that met with the group. I believe there were only three in attendance.

My supplementary question to the minister is with regard to a broader representation of government to the handicapped consumer groups in the province. My understanding is that other areas such as Public Works, Education, and Housing are areas and departments that do not meet with the consumer groups. There isn't a format by which they can meet with these special areas where handicapped consumer groups have problems. Is the minister considering a change of format that would include these kinds of groups, so that better communication and representation can be made?

MR. BOGLE: Mr. Speaker, I think the hon. member should be aware that no one group speaks for all the physically handicapped within this province. Several groups indicate that they represent a portion of the handicapped. But we have requests coming to government — some through the Department of Social Services and Community Health, others through other departments — from a variety of organizations all purporting to

speak for consumer groups of disabled Albertans. Therefore, we try very hard to work with the various groups that have been established over the years. In our department, I'm speaking primarily of the Alberta Rehabilitation Council for the Disabled, a group that has a history of some 25 to 30 years of providing services in this province, as well as the consumer groups for the disabled, a more recent endeavor which receives funding from the provincial government, as does ARCD.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. One concern I have is that the report was in February 1981; its concern was the lack of communication. Today we still find the minister saying, I'm waiting for someone to tell me what to do, and a format. In the international year of the disabled, how soon will the consumer groups of Alberta know exactly what the well-oiled communication system is, instead of this bureaucratic approach of letters back and forth? When will direct communication occur, and when will the minister deal with the problem that has existed all this year?

MR. BOGLE: Mr. Speaker, very clearly, if the hon. member is referring to a report commissioned by the federal Parliament of this country . . .

MR. R. SPEAKER: It doesn't matter.

MR. BOGLE: It matters a great deal, Mr. Speaker, if, on one hand, the hon. member stands in his place to ask a question relating to a provincial organization, and then relates and refers to a report commissioned by the Minister of National Health and Welfare, and made up of federal MPs. I suggest the hon. member direct his concerns with regard to that report through his Member of Parliament. We'll continue to meet with provincial organizations that deal with the provincial government, as we have in the past.

MR. R. SPEAKER: Mr. Speaker, the provincial people are dissatisfied with the way the department has met with them, and their concern is illustrated through this document. The minister should read it for information as to how the communication system can better be worked in this province.

A supplementary to the minister. What immediate steps will be taken to take into consideration and put in place a management procedure that meets the needs of the handicapped consumers of this province? At present, it isn't there.

MR. BOGLE: Mr. Speaker, two very important programs were introduced early in 1979 to meet the needs of handicapped Albertans. The aids to daily living program was developed to help Albertans between the ages of 18 and 65 and to provide a level of care second to none in this country. In addition to that, the assured income for the severely handicapped program was developed, and is currently meeting the needs of some 9,000 Albertans at a total cost of some \$60 million a year. The maximum benefits accruing to an individual who benefits under that program equal the combined income of a senior citizen who receives the old age security and guaranteed income supplement, both of which are federal programs, and the assured income plan from this province. That benefit totals some \$527 per month; again, Mr. Speaker, a figure

that cannot be attained in any other province in this country.

MR. R. SPEAKER: Mr. Speaker, a supplementary. My question is very clear: how will disabled consumer groups be able to communicate with this government in the future, not only with the minister, not only through a caucus committee, but with other departments of government with which they wish to communicate? No formal system is established at the present time, no consistent pattern. Once a year . . .

MR. SPEAKER: Order please. If the hon. leader finds that the very ample debate he is offering is an essential part of the question, then may I respectfully suggest that that be transferred to another time when there is opportunity for debate so that, in fairness, other members who may agree or disagree with him may have an opportunity to prepare for such a debate and also take part in it. As it is, in both his last questions we have the hon. leader going very extensively into debate, making charges about which other hon. members may or may not have some fairly vigorous opinions. In any event, fairness would require that they have an opportunity to debate as well.

May I therefore respectfully suggest to the hon. [member] that he separate the two functions, and that when he's in the question period he might deal with matters which are really questions and not debate.

MR. BOGLE: If I may respond, Mr. Speaker. Very clearly, communication is a two-way street. I have written to the particular organization the hon. member has referred to on November 13. To my knowledge I have not yet received a reply to that request, which asks for an agenda so that we might sit down and discuss the concerns of the consumer group.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Will the mechanism be put in place before the end of 1981, before the international year of the handicapped is over?

MR. BOGLE: Mr. Speaker, a mechanism is in place and all groups seem to find it satisfactory with the exception of, I believe, the Alberta Federation of Labour.

#### **Nursing Shortage**

MR. FJORDBOTTEN: Mr. Speaker, my question is to the Minister of Advanced Education and Manpower. It's come to my attention that there's a nursing shortage in Alberta. Could the minister indicate if he or his department is taking any action to resolve the shortage?

MR. HORSMAN: Mr. Speaker, this matter has been before the Assembly earlier. At the present time there is a vacancy rate of approximately 5 per cent in the province with respect to nursing. Of course, a number of new programs have been introduced in the last year. I should point out that a number of refresher courses have been instituted, in which I think over 500 nurses who have been out of the active practice of the profession have enrolled and will regain their status with the Alberta Association of Registered Nurses. As well, I pointed out the intention to introduce two new nursing schools at Grande Prairie Regional College and Keyano College. As I indicated sometime during the last few weeks, a special warrant has been obtained to start the program at

Grande Prairie Regional College a year in advance of their anticipated enrolment. We hope that that, along with increased enrolments at the University of Lethbridge and the University of Alberta, will substantially alleviate the shortage which has been appearing in the last few months.

MR. FJORDBOTTEN: Mr. Speaker, a supplementary to the minister. The recent report is right: there's probably about a 5 per cent shortage of nurses; that's about 573. Considering the hospital construction program we have under way and the number of nurses in our communities who aren't active, could the minister advise whether he is considering making a mobile refresher course available in the smaller communities, because a lot of women aren't able to come to the cities to take a refresher course.

MR. HORSMAN: Mr. Speaker, as I indicated, the intention is to provide refresher courses, particularly through the colleges system. Those are located in smaller communities outside Edmonton and Calgary. If the hon. member has some practical suggestions as to how mobile courses might be provided, I'd be glad to hear those. I know that the directors of the various nursing schools in the province would be interested as well. As I indicated in my earlier response, though, the refresher courses have been very well attended. If they continue, we expect that in the next few months they will attract more nurses back into active practice of the profession.

I should point out that while there are just under 11,000 positions for registered nurses, there are in fact over 17,000 registered nurses in Alberta. You will see, therefore, that a number of them are not actually practising their profession.

MRS. EMBURY: A supplementary question, Mr. Speaker. Could the minister please indicate if the generous funding given by the department for refresher courses this past year will continue next year?

MR. HORSMAN: Mr. Speaker, I'm always an optimist, but the budget for 1982-83 has not been concluded yet.

MRS. EMBURY: A supplementary question, Mr. Speaker. Could the minister advise the Assembly if there's any difference in basic cost per student for a nurse taking a refresher course at a community college vis-a-vis in the hospital setting?

MR. HORSMAN: Mr. Speaker, I'm afraid I don't have an answer to that particular question, but I can certainly find out. Needless to say, the actual cost per student in the refresher course is far below the training of new nurses. The cost has been quite reasonable. But as to the differentiation between the college program as opposed to the hospital-based program, I'd have to take that question as notice and try to ascertain whether there is a differential.

#### **Psychiatrist Shortage**

MR. D. ANDERSON: Mr. Speaker, a supplementary question to the hon. minister on the issue of a shortage of health care professionals. Is the minister as yet in a position to indicate to this House what projections exist with respect to the psychiatric shortage now faced in the province, and what we can expect over the next few years?

MR. HORSMAN: Yes, Mr. Speaker, I am. The hon. member raised that question in the House. I have received a preliminary report on that. I was going to put that in the form of a memorandum to the hon. member and circulate it to members of the Assembly for their information.

MR. D. ANDERSON: Mr. Speaker, I'd like to thank the minister for preparing that material.

A supplementary to the hon. minister. Has his department any plans which would increase the number of psychiatrists in Alberta in coming years, to deal with the psychiatric shortage that now exists and which I suspect might be projected?

MR. HORSMAN: Mr. Speaker, that becomes a more difficult order for my department, as a department of government. Really, it relates to the opportunities of the medical schools within the province to provide that type of training and to attract students into that particular specialty of the profession of medicine. That is a very worth-while question, but it must be addressed in large measure to the university communities. Of course, it will be up to the universities to make the necessary decisions and allocations of funds within their own global budgets to try to deal with that particular aspect of the need for health manpower in the next decade.

MR. D. ANDERSON: Mr. Speaker, one final supplementary question on that topic. Is the minister suggesting that a budget adequate to encourage people to move specifically into the psychiatric field will be available in the universities, in particular in the areas of medical training?

MR. HORSMAN: Mr. Speaker, as hon. members are aware, the department does not direct funding to specific faculties, except that in the last two years provision have been made, at the request of the universities, for what we have called professional faculty enhancement funding. I will have to review the circumstances with respect to requests from the universities for such additional funding in the next while. I can't and really shouldn't answer this question, because I don't know whether there have been specific requests from the institutions with respect to additional funding for that particular purpose, through the professional faculties enhancement grants. I'd have to check that matter for the hon. member.

#### **Nursing Shortage** (continued)

MRS. FYFE: Mr. Speaker, a supplementary flowing from a previous question. Based on the consideration that nursing is somewhat unique, in that persons who have not been working in the profession for some time have to take refresher courses; and, secondly, in the rural health areas it is often difficult for nurses with families to travel to where a refresher course is being given, I wonder if the minister could advise the Assembly if any consideration has been given to a distance learning refresher course, such as through Athabasca University?

MR. HORSMAN: Yes, Mr. Speaker, a number of new approaches are being taken by various institutions in the province to provide distance learning opportunities. For example, the University of Alberta is proposing to offer some additional courses in Grande Prairie. This is sepa-

rate and apart from the new nursing school which is being established there.

Athabasca University has given some consideration to this type of program development. I expect that many additional and innovative steps will be taken by the institutions themselves in ensuing years, through their own global funding that we as a government provide.

#### **Beef Cattle and Sheep Support Program**

MR. MANDEVILLE: Mr. Speaker, I would like to direct a question to the hon. Minister of Agriculture with regard to the announcement the Premier made today. Could the minister indicate what form of applications are going to be available, and where and when they'll be available for ranchers and people feeding cattle who will make application for the grants or subsidy announced today?

MR. SCHMIDT: Mr. Speaker, it will be a day or two before the applications are available. It's our intention to have them available to all those across the province, in the district agriculturists' offices in their area, and through the department.

MR. MANDEVILLE: A supplementary question for clarification. One program announced, where there will be \$50 for any cow in possession of a rancher on September 1: does the department monitor the herds in the province? Does it have any record of the number of cows on hand with any particular rancher or farmer at the date indicated in the announcement?

MR. SCHMIDT: Mr. Speaker, each municipality, through its local government, has a pretty good record of the cow-calf producers throughout the province, because of the animals being involved in warble treatments on an annual basis. They have a pretty good idea as to the numbers of cows that fit each basic herd. It would be our intention to also have an affidavit with the application, stating the size of the basic herd as of September.

#### **ORDERS OF THE DAY**

MR. LOUGHEED: Mr. Speaker, I wonder if I may say a few words on this occasion, because I was unfortunately absent at the time the hon. Member for Olds-Didsbury was paid very appropriate tribute in this Legislature.

I am aware that this is the last day, and I wish to make some personal comments. I want to say how much I believe that the hon. Member for Olds-Didsbury has contributed to the public service and to the public life of this province. Because I feel that I've been here for a number of years, I find it rather interesting to be paying tribute to an hon. member who has been in this Assembly longer than I. Also, Mr. Speaker, I recall being here as the Leader of the Opposition for four years, and having the very interesting and challenging time of directing questions to the hon. member when he served the government of Alberta very well in a number of important portfolios. Then, of course, when situations were reversed, I was on the receiving end of the questions.

It speaks highly of the Legislative Assembly and for the parliamentary system that those of us privileged to be involved in it understand the nature of the cut and thrust of debate, understand the process here, and can do so in a

way that on an occasion like this we can, in fact, respond as we wish to respond to the hon. member, and wish him, his wife, and his family the very best of health and happiness. But more particularly, we can have him leave this Assembly knowing that he's made a contribution he can be extremely proud of, that his constituents can be proud of, and we're all proud of it for him. [applause]

#### **Resignation of Seat**

MR. R. CLARK: Mr. Speaker, before I do what I'm going to do, perhaps you would allow me to say to the Premier my sincere thanks for his most generous comments on this occasion. Thank you very much.

Mr. Speaker, as has been known for some time, it's my intention to leave this Assembly on November 30 of this year. When I checked my calendar this morning, I noted that this was Monday, November 30. On November 5, when members were extremely kind to me in this Assembly, members may recall that in my remarks I made some comments that some members thought were perhaps somewhat facetious. I said I knew where I was going on November 30, but I wasn't sure many others did. Mr. Speaker, this may be one of the few occasions when I have been on the proper side of the issue.

Might I say once again that I want to thank the people of the riding of Olds-Didsbury, who have done me honor on so many occasions. Secondly, I want to thank my colleagues in this Assembly, whether they are my immediate colleagues in the caucus it has been my privilege to be a part of, or members wherever they may sit in this Assembly. I regard all of you as friends in this Assembly, friends in the legislative process. And wherever we may sit or wherever we may go in the future, I trust we will be able to have that kind of relationship.

Mr. Speaker, I would be remiss if I didn't say to the staff of the Assembly — the Clerk, the Clerk Assistant, and the legislative staff — how much I've appreciated their help and co-operation. And now, without any further ado, it's my privilege, my honor, and my responsibility to say to you, Mr. Speaker, that I wish to resign my seat as the Member of the Legislative Assembly for the riding of Olds-Didsbury for the reasons I explained on November 5. I wish you, Mr. Speaker, members of the staff, and members of the Assembly, God's richest blessing. Thank you very much. [applause]

[Mr. R. Clark left the Chamber]

MR. R. SPEAKER: Mr. Speaker, in a very short manner, I'd like to reiterate the appreciation of my colleagues for Mr. Bob Clark and his contribution to Albertans and, specifically, to this Legislature. It has been a great contribution and one to be long remembered. It's nice to be able to leave the Legislature with such dignity and respect.

I'd like to say that I think the greatest contribution of Bob Clark, the thing I've learned from him, and the thing I recognize in his work is that he will be recalled as a master of grass-roots representation. He knew how to listen to people and how to act on their behalf. As history records it, I think that will be the great contribution he has made in his lifetime as a public servant.

MR. SPEAKER: May I assure the Assembly and especially the hon. Premier and the hon. Leader of the Opposition that the staff of the Assembly is assembling a booklet which will contain tributes and perhaps some

photographs of the occasion in the House on November 5, and will most certainly also contain the kind tributes paid to the hon. Member for Olds-Didsbury this afternoon by the hon. Premier and the hon. Leader of the Opposition.

MR. KING: Mr. Speaker, under the circumstances I wonder if I could revert to Oral Question Period for just a moment, because I hoped to be able to reply to a question asked of me by the hon. former Member for Olds-Didsbury. I would still like to provide the information the hon. gentleman requested.

MR. SPEAKER: In asking the Assembly for unanimous consent, I must confess that I was remiss, because the hon. Minister of Education had asked to be recognized before the close of the question period, and I regret that I overlooked that.

Does the Assembly agree that we may revert momentarily to Oral Question Period, so that the hon. Minister of Education may deal further with a topic raised in a previous question period?

HON. MEMBERS: Agreed.

#### **head: ORAL QUESTION PERIOD** (*reversion*)

#### **Computer Technology in Schools**

MR. KING: Mr. Speaker, some 10 days ago, in an exchange during question period, the hon. Member for Olds-Didsbury asked if I would file with the Assembly the contract between the government of Alberta and the Bell & Howell corporation of Canada respecting the sale of microcomputers to Alberta Education. I wish now to table copies of that for the information of members.

#### **ORDERS OF THE DAY** (*continued*)

MR. CRAWFORD: Mr. Speaker, before moving that you leave the Chair in order that the House might be in Committee of the Whole for consideration of some Bills, I should note that Bill No. 99, the Legislative Assembly Amendment Act, 1981 (No. 2), should revert to committee in order that the members can consider a proposed amendment. I move that Bill No. 99 not now be read a third time, but ask unanimous leave to have it revert to Committee of the Whole.

MR. SPEAKER: Is there unanimous leave to entertain the motion made by the hon. Government House Leader?

HON. MEMBERS: Agreed.

MR. SPEAKER: Is the motion agreed with?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

[On motion, the Assembly resolved itself into Committee of the Whole]

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

[Mr. Appleby in the Chair]

MR. CHAIRMAN: The Committee of the Whole Assembly will now come to order.

**Bill 92**  
**Electric Energy Marketing Act**

MR. CHAIRMAN: There is an amendment to this Bill. The amendment has been circulated. Are there any questions or comments regarding the amendment?

MR. R. SPEAKER: I haven't my amendment in front of me right now. It's coming. Could the minister just mention what it is and possibly the explanation for the change?

MR. SHABEN: The amendment referred to by the Chairman of committee is to Section 9(1). It simply changes slightly the process for handling the subsidies. Initially, the Provincial Treasurer was to respond [to] a request from the agency. The amendment requires that the Provincial Treasurer respond to a request from the minister, rather than the agency. That's the extent of the amendment.

[Motion on amendment carried]

MR. CHAIRMAN: Are there any questions or comments on Bill 92 as amended?

MR. R. SPEAKER: Mr. Chairman, to the minister. In the debate on second reading, I raised the concern with regard to the two and a half years of studies by the department. I think it's a good idea to have done that much study and background work.

Over the weekend, I raised the matter with a few of my constituents at meetings, very informally at functions I was at. I don't say it was a sophisticated kind of discussion. No one had heard about the Bill. That was the first point. They had not heard about the Bill or the effect it may have on electrical rates in the future. That is a concern of mine. Albertans really didn't know we were passing that kind of legislation. It's a kind of surprise to them.

In light of that, I've made the request that we hold this until spring; let the Bill sit over, and let people talk about it. In response to a question from the press, I understand the hon. minister indicated that if we provided the study and allowed this discussion to go on in public, 60 per cent of the people who would be affected and have increased power rates would most likely vote against this kind of legislation, because who wants their rates to go up? Maybe that is correct. But in the democratic system or in the representative electoral system we've got in this province, I think that's one of the things government has to face: one, people out there have to have the information; two, they have to have input. If the government can sell it to those who will be directly affected, either negatively or positively, then it is a good idea. But at the present time, Mr. Minister, there really has not been a public discussion on this kind of format, this agency, to be placed across the province of Alberta.

Secondly, there isn't enough information out there at the present time for the people of Alberta to have a good

rational discussion. Maybe after the reports were released, the news media made the information available to Albertans — I was trying to recall whether the minister raised this concept in the various meetings in the southern Alberta cabinet tour. I was trying to think about the agenda; whether the matter was raised at Vauxhall, where I was in attendance. I don't recall the matter. If it was on the agenda, then it's been an oversight or something I've forgotten. But I don't recall it at that time. I don't recall any team of people going to the public.

I know there was a discussion with the association of REAs and their respective executive. That was good, and I appreciate that. But often the REA executive members do not transmit the information back to the people. Nor, as I recall, was there any kind of announcement in the REA executive meetings that the government was contemplating this, and there should be a discussion back at the grass roots of the various REAs across the province. Maybe that request was there. I know that in terms of the kinds of meetings REAs have across the province, there is often small attendance, and it's very difficult to get a meeting because people have electricity delivered to their homes. They know it's there; the service is good. They are concerned about the bills, but they don't think about going to their REA and complaining. It's usually via the MLA or a letter to the minister. So I'd like the minister to comment on that.

I don't know whether there has been any feedback or reconsideration since we had our discussion in second reading. But two points: one, there's a lack of information out there; two, I haven't seen any formal format that the minister or his department officials have used to transmit the message out to the grass roots for a good discussion. Maybe the idea will hold water and get 100 per cent support. Then it's a lot easier to move ahead, and the people won't feel something's imposed on them, which they may at this point. I don't know how they totally feel. My very preliminary investigation is that they don't know anything about it, so they don't know how to react.

MR. SINDLINGER: Mr. Chairman, I might echo some of the things just mentioned by the Member for Little Bow, in that the Bill's been out for only a very short period of time. I suspect that if I went to all my constituents and said, how would you like to have an increase in your power rates over the next five years, most of them would say right away, well, we don't think that would be a very good idea. However, with further elaboration and explanation of the long-term benefits of such a power scheme, they might be more amenable to it, if there could be a demonstration that over the long term their power rates would be less than they would be in the absence of something like this. The difficulty is that there has not been that much public discussion about the power increases, so it's difficult to convince people that this is in fact a good thing over the long term. Perhaps from that point of view, it might be worth while giving consideration to extending the period over which this program would be announced and pronounced or whatever and, second, the phase-in period.

The city council of Calgary is concerned about the phase-in period. I understand that last week they were considering asking the minister if consideration could be given to a 10-year phase-in period as opposed to a five-year phase-in period. What struck me about their deliberations was the short period of time they had to consider something like that. I'm aware of course that consultation

had gone on prior to that, over an extended period of time. But their reaction seemed to be very brief. They didn't seem to have much time to prepare something definite. To me, that also demonstrates there hasn't been that much time available for consideration of this.

I would ask the minister if, since last Monday when city council did consider this, he has had representation from the city of Calgary; what consideration has been given to it; and what is the minister's inclination at this particular time in regard to the request for an extended phase-in?

MR. OMAN: Mr. Chairman, unfortunately, I wasn't present at the debate that took place last Thursday on second reading of the Bill. I do have a couple of observations I would like to make, and some questions to pose to the minister.

Of course, it's well recognized that the city of Calgary has had a very good position with regard to its purchase of electrical power from TransAlta Utilities. I recall that I was on council back in the early '70s when the present agreement was first entered into. The city of Calgary was able to purchase electricity from Calgary Power for, I think, about 85 or 87 per cent of the actual production cost. So I suppose one can say that the rest of southern Alberta did subsidize Calgary. As a large consumer, it had the right or the power to make a very good deal, and we did. I recall specifically, because I was involved on the finance committee at that time.

I'm also aware that the Public Utilities Board has, in later years, forced the city of Calgary to pay more, and that would probably increase closer to 100 per cent of the production cost over a period of a few years. In that sense, I suppose there is a mitigating factor. Maybe the minister could comment on that aspect of it. I also believe that the city of Calgary's figures, which they have published, are based on the present rate of about 87 to 88 per cent of the costs, as they're getting it right now. I suppose those figures would change if they went up to the 100 per cent figure over a period of, say, five to 10 years. It's a factor I've taken into consideration. I realize that in that sense, we in the city of Calgary are going to lose in this deal.

Perhaps the minister could also comment — because other members from the city of Calgary, including the Member for Calgary Buffalo, have mentioned the possibility of extending the subsidy. I'm aware that the government could decide to do that after the five-year period. One of the things that makes me think that that may be something we should look at rather positively, is that some of the future increased costs of power coming on stream, particularly Edmonton Power and its Genesee plant, will begin to be felt about the end of that five-year period, or somewhere in that five-year period and maybe from there on.

It may be that we should be looking at a decreasing subsidy from the five- to the 10-year period. I'm aware that all power costs, and the capital costs particularly, are extremely high not only for Edmonton Power or Alberta Power but also for TransAlta, because I think they're coming on stream further down the line. So I suspect those rates would tend to come together to some extent over a period of time, except for the rural regions, where of course transmission costs are going to remain very high simply because of the lack of concentration.

So I want to express my concern that at the end of the five-year period, it may look like that's when some of the higher costs will come in before they begin to converge. I

simply express my concern that we not close the door at the end of that five-year period. If I understand the minister correctly, he is saying that we are now, in a sense, guaranteeing a subsidy for the five-year period but not necessarily cutting off the possibility after that. Perhaps the minister would like to comment.

MR. SHABEN: Mr. Chairman, I'll respond in order to members who have raised issues with respect to Bill 92. The Leader of the Opposition asked about additional information. If I understood the way the question was framed, it dealt with the concept of, as well as the impact on, rates. So there were two areas. I think that was implicit in the question by the Member for Calgary Buffalo.

I think it would be useful for members to refer to *Hansard* of last Thursday evening, the discussion we had on second reading and approval in principle of Bill 92. I should elaborate. This relates to the difficulty in providing precise projections. I would like members of committee to recall the debate last Thursday evening and consider the method chosen by the various utilities to set rates. In the debate on Thursday evening, you'll recall I discussed how, first of all, the investor-owned utilities obtain approval on their revenue requirements from the Public Utilities Board. Then they file rates to achieve that revenue requirement for the utility. On the other hand, the cities, such as the city of Calgary, set a rate on a different basis. They purchase energy wholesale from TransAlta.

I'll go into the point the Member for Calgary North Hill made about arrangements that have been in place for a number of years between TransAlta and the city of Calgary on the purchase of electricity. Some years ago, when a new arrangement was negotiated with TransAlta, then Calgary Power, the city of Calgary very skilfully arranged a preferential wholesale rate for electric energy that at that time was about 88 per cent of the rolled-in cost of the cost of generation of Calgary Power's system. They argued successfully before the Public Utilities Board that this was advantageous to TransAlta, to other customers of TransAlta, and to Calgary because of the economies of scale of such a large buyer of electric energy, such a large block of power. It was advantageous in the sense that rather than the city of Calgary generating their own and investing in their own generating utilities, the generating capacity was in place and the city of Calgary negotiated at preferential arrangement as far as purchase price of energy was concerned.

At the present time, and over the years, the city continues to buy at an advantageous rate, and purchases electric energy at about 94 per cent of the average rolled-in cost of generation. So that benefit accrues to the citizens of Calgary and is a result of circumstances. I think the Member for Calgary North Hill is correct in assuming that over the years that percentage would shrink, because it has from 88 per cent to 94 per cent in terms of price advantage, and would probably continue to do so.

Getting back to the point of rate setting for the cities — and of course the rates set in Calgary are influenced by a number of factors: number one, the purchase price of the energy; two, how they set the rates within the various classifications. On the advice of the commission board, the city council makes a political decision on how to set rates for different classes of customers. They follow a pattern of charging higher rates to industrial customers, not quite such high rates to commercial customers, and the lower rate categories to residential customers. They



pursue that policy, and it's not unusual in the utility business. That takes me to the comment of the Leader of the Opposition about providing projections.

Mr. Chairman, it's very difficult. I've advised members of the Assembly that our projections — and they're not mine; they're the projections of the Electric Utility Planning Council and the Energy Resources Conservation Board on the need for new generating plant and cost projections of those plants. How that will reflect in the revenue requirement of the total utilities in the province means there will be a revenue requirement some two and one-half times greater than at the present time in order to meet the costs of these plants, to service wages, the costs of labor and fuel. All these factors will mean an overall increase in the cost of electric energy in the province. How an individual utility obtains that revenue changes each time it applies to the Public Utilities Board and has its rates set, because relationships between industrial, commercial, and residential rates change from year to year in terms of how the city- or investor-owned utility chooses to recover that revenue requirement.

So projections placed before members are based on the way the rate structure is at the moment. We will share that information with our implementation committee, made up of the utilities and the cities, as we move in the next months to implement the marketing agency on April 1. That's one difficulty in laying out what people would believe to be precise projections. They're based on today's assumptions that can be influenced very dramatically by actions taken by a city or a utility, or by circumstances.

In terms of the question of citizen awareness, I think members of the Assembly are the best barometer in the province of what citizen awareness there is. In our government caucus, we have spent a lot of hours receiving input from members of the Assembly on this particular piece of legislation. There has been extensive discussion, particularly with the objectives I outlined during second reading. If members believe the objectives are not worthy, that's a different issue. There's no need to repeat the objectives, but briefly: to rationalize rate problems, which the Leader of the Opposition is well aware of; to improve the opportunities for economic dispatch, and to some extent this goes to the question raised by the Member for Calgary Buffalo in terms of benefits that accrue to all Albertans over a period of time; the question of balanced economic growth; the question of integrating electric energy produced from high-cost hydro, whether it's extraprovincial or in northern parts of the province, where you have a high initial cost and long-term benefits; to deal with a question of export of electricity from the province, and how citizens of Alberta benefit from that export if it's undertaken by one utility. All these questions were addressed very carefully. Solutions were sought that would be simple and non-bureaucratic, with minimum interference in a system that has worked very well.

I can't provide precise rates for what will occur in 1990 for a particular class of customer; I've given the member some indication of what will occur if projections laid out by the Energy Resources Conservation Board and the Electric Utility Planning Council are likely to occur. But the overall effect will be that there will be cross-subsidization between consumers of utilities. That's not unusual in today's world. About two years ago, the two major gas utilities applied to the Public Utilities Board for what were known as generic rates. The Public Utilities Board, which is at arm's length from government, dealt very carefully with those applications, which dealt with

the request to cross-subsidize between their urban and rural customers. The Public Utilities Board studied that matter very carefully over a year and a half and ruled that that would be an acceptable practice. Subsequent to that, Northwestern and Canadian Western have applied for that sort of rate structure to serve their customers.

There are many other examples. For Gas Alberta, an agency within government that provides natural gas to the rural gas co-ops, we use precisely that practice. Simply because a rural gas co-op is located right next to a well and another is located 400 miles away doesn't mean they shouldn't have wholesale prices for natural gas. So we've structured Gas Alberta to provide rural gas co-ops across the province with the same wholesale rate for natural gas. Telephone service is another the citizens of Canada and North America accept, and it's become the norm. So on the issue of resolving the issues I laid down as concerns of the government, the solutions were sought and a far-ranging number of options were considered. The government has chosen a marketing concept which provides minimum interference.

Recognizing that there would be some impact on some consumers, the government has made a commitment to provide a phase-in period to provide a subsidy. This goes to the question raised by the members for Calgary North Hill and Calgary Buffalo. I've indicated in the Assembly that we will be asking the Provincial Treasurer for approximately \$100 million in year one, and will proceed with a five-year phase-in period. That five-year period is very important in terms of the length of time — and the Member for Calgary North Hill touched on it — in that the end of the five-year period is March 31, 1987. That's about the time Genesee will be commissioned and Edmonton will be moving off high-priced natural gas to coal. Though the plant is new and expensive, with the long-term benefits to the interconnected system of coal versus natural gas and the uncertainty of the level of excise taxation by the federal government, it's an appropriate move for the city of Edmonton. Having those additional units and Sheerness, Battle River, Keepphills 1 and 2, and the new units coming on, provides a greater opportunity for the fuller implementation of economic dispatch, which I dealt with at length last Thursday night.

Mr. Chairman, those are some of the comments I had to make with respect to the matters raised by the three members.

MR. R. SPEAKER: Mr. Chairman, to the minister. I appreciate his sincerity in bringing forward the program. The only point is with regard to the concept. I can understand the impact of rates. I think the minister has explained fairly well that it is very difficult to project the exact rates in various areas because of the assumptions under this program. Each major consumer body, such as the cities of Lethbridge, Calgary, or Edmonton, buys it at a wholesale rate. In turn, because of the spread they would like to have between the industrial, commercial, and residential rates, and depending on how much mix they make of each, they will determine the various rates in the different areas. I can understand that, and I think it's most likely proper.

The concern I've had is with regard to public involvement. I don't know whether the minister really addressed that question completely. We in the Legislature and on this side of the House — I would say I am like the Alberta public in the sense that I first heard the announcement here. I'm sure there were many hours of discussion on the concept in your caucus committee and

in the cabinet committees before you initiated it here in the Legislature. But we heard about it on November 16 and had second reading on November 26: a 10-day period. Now, on the last day of November, we are in Committee of the Whole. Once it's through this stage, most likely it will be law in the province of Alberta. It's fairly well accepted that it will receive government support in the next two stages. For that reason, I think there should be more public discussion in terms of the concept, so people of Alberta know. Some will be impacted in a negative way, some in a positive way. In terms of the government's own position of being open to public input and wanting to communicate with and involve the public, I'd certainly recommend that this should be one area where a little more time is taken.

We can get it through the Legislature. And I still can't argue about the pros and cons of the program, because I can see some benefits. But in terms of public involvement, there's a shortfall. Maybe the minister should reconsider the matter on that basis. The minister can explain that certain kinds of things will happen and there is still a chance for the public to say, look, we don't think we like this. I don't see it, though. Once we pass the legislation, on April 1 the law will be in effect and the department will implement it. At that point, the general public accepts what has happened. I would appreciate the minister reconsidering that, and arguing on what basis it's not necessary at this point in time, so the public knows why the input isn't necessary.

MR. SINDLINGER: Mr. Chairman, I also would like to reiterate that I think there has been a very short time for consideration of this Bill. I say it's short because it's a major change. It's quite a dramatic change. We all recognize the importance of the Bill. Other administrations have gone through this same sort of thing over the years. The most recent I can think of is the Bonneville Power Administration, which is responsible for the distribution of hydro-electric power throughout the Pacific northwest. It gets its power mainly from the Columbia River basin and tributaries like the Snake River. Until the 1960s, the Bonneville Power Administration was the largest hydro-electric distribution system in the world. It was even greater than the Tennessee Valley Authority, which was the largest undertaking at the time it was constructed. The Bonneville Power Administration has now been exceeded by a transmission development system in Siberia.

When they had the problem the minister is facing now, they went through many public phases, first of all in order to get input from the public and, secondly, to provide information back. It was a two-way flow, rather than one. A considerable amount of time passed for the people in that area, which was essentially Washington, Montana, Idaho, Oregon, and the northern part of California. First of all, they had the opportunity to provide input and, secondly, to find out what the decisions had been.

They faced the same problem there in regard to rationalizing the rate system. Consumers in the major consuming areas of Seattle, Tacoma, Portland, and Spokane found that their rates too would be increased over the short term. But they were convinced that over the long term, they would benefit from the project. Over the long term, their rates would be lower than they normally would have been. Also, the heavy industrial consumers in that area, I believe they are the aluminum smelters, located there in the first place because they could get relatively inexpensive hydro-electric power. This is one point

the minister made in regard to this program. If we can rationalize rates and lower the overall average throughout the province, the cost of power becomes a neutral factor in the location decision-making process.

Of course, we can't argue with the objectives of the program, but we can suggest that perhaps when there is something as major as this, more time be allowed for the change-over. This being a conservative province in nature, I think people like to take things a little more slowly than abruptly going from one thing to the other. That's why I was a little concerned about the reaction of the Calgary city council. The first question I asked was whether or not, since last Monday when the city council decided it would make representation in regard to a 10-year phase-in period as opposed to five, the minister has met with them and what consideration has been given to their representation. I'm not quite certain that was addressed in your remarks. I would pose it to you again, if I could, please.

MR. OMAN: I have a couple of other matters of a general information nature that I'd like to raise with the minister. We talk about rate increase to the city of Calgary of some 8.5 or 8.9 per cent. Even though some people in the city will dispute that and say it will be more, I gather there is clarity in this area that of course there will be regular inflationary increases which we've had in the past. Sometimes they've been 10 to 15 per cent per year. These will be increases above and beyond that, obviously.

I noticed in *Hansard* that in his comments the other night, the minister indicated that Calgary would still retain the right to add its own surcharge or transmission charge, if you will, to the customers of the city. As I see it, Mr. Chairman, this is very important because the city of Calgary has raised many millions of dollars for its own revenue system through that transmission. I see this as a good thing because it dilutes some of the inequities of the property tax system which, in many cases, really isn't based on the ability to pay. I would certainly want to see the right of that system preserved.

The question that comes to my mind is: would the increase in the rate mean any difference as far as adding on, so they would have to decrease their revenues in that area in order to stay competitive in some sense?

[Mr. Purdy in the Chair]

MR. SHABEN: Mr. Chairman, the Leader of the Opposition again raised the question of timing. It's difficult to respond to in that we believe, and I think the hon. member is aware, that the issue has been before us as individual members of the Assembly and as a concern to successive governments. I outlined a number of the issues when I responded initially, and that issue remains. From the comments of the Leader of the Opposition, I understood that he recognizes the need to deal with some of these issues outlined in the Assembly, but it's a matter of the timing. That question that will probably be before us, and I'm prepared — and I know all members of the Assembly are prepared — to discuss with our constituents the principle, the phase-in, the massive subsidy in order to achieve the phase-in, and the objectives.

I'm confident that Albertans believe this is sound legislation. There are opportunities for us all to test that among our constituents, if all members are fully familiar with the principles and the objectives. I believe there has been public discussion in terms of the government ad-

addressing the issue for the past year and a half. It's been raised in the Assembly. I alluded to that when I commented on questions raised on a number of occasions by the Member for Olds-Didsbury, who resigned his seat today, and by others. The issue has been before us, and I believe I responded in saying that the government was addressing it.

In terms of the actual implementation of the program, the five-year phase-in and the move to economic dispatch is a wise way of moving, in that the objective is to offset a great deal of the impact of achieving cross-subsidization without massive intervention by the government. There are other options to achieving it, which I'm sure people would consider, that would involve massive intervention.

The Member for Calgary Buffalo referred to the Bonneville power authority and the process followed in that region when the Pacific northwest power marketing and conservation legislation was passed in December 1980. The legislation was passed by Congress. Their system is very different from ours. Fortunately, in Canada the provinces own the resources, whereas in the United States the federal government is the ultimate authority. The Bonneville power authority reports to the federal government. It's an agency of the U.S. federal government, as is the Tennessee Valley Authority. After considerable consideration of the problems outlined by the Member for Calgary Buffalo, they chose to move in a similar way to what we have chosen here, although I believe our legislation is much better. They also have a different policy with respect to new industrial development. If new industrial load develops, that new industry pays the full incremental cost of new energy. They protect particularly their agricultural community as a result of this legislation passed by the U.S. Congress in December 1980.

I went to Portland and visited with members of the authority to learn and adapt what I could to improve upon their initiatives, and we have presented this piece of legislation. We are aware of the course of action taken in those four states. This legislation, the marketing agency, is less interventionist than the U.S. federal legislation but provides much more benefit.

The further question from the Member for Calgary Buffalo: have I met since the most recent communication from the city of Calgary. On two previous occasions, I met with Commissioner Cornish and Alderman Lee, who is on the utilities committee, on precisely the same issue. I'm not able to change our position that the government makes a commitment for a five-year phase-in period. But I'm not prepared to suggest we commit future governments to extending that. That's the position the government takes at this time.

The Member for Calgary North Hill asked for clarification on the rate situation. Our examination of the figures indicated that a residential consumer would pay 8.5 per cent more for electricity on March 31, 1987, that would be attributed to the agency, than he now does. As they presented it to me, the Calgary position has been that the gross amount would be 13 per cent higher. I responded earlier to the Leader of the Opposition on the rate structure. We based our projections on the proportion on which the city of Calgary now sets its rates; that that impact on the residential consumer at the end of five years would be 8.5 per cent more than it would be without the agency. But we have no control over how the city chooses to structure its rates in the future. They may choose a different proportion. So there continues to be room for cities that purchase electricity wholesale to set their rates, to take a markup, and to provide some relief

for their taxpayers. We're not interfering with that capacity.

In his first question, the Member for Calgary North Hill raised a very important one; that is, the rate at which the city of Calgary now buys its power at less than the average rolled-in cost. Based on the decisions of the Public Utilities Board, that's an advantage they receive that we believe would ultimately slowly be removed, as it has over the past number of years. It's moved from 88 per cent of cost to 94 per cent of cost. Because the city of Calgary won't provide their figures to us, we don't know whether they're using that 6 per cent for 25 years in calculating their figures, or whether they're basing it on some other aspect. So our commitment to the city, and to all the utilities and cities involved, is that as we work through the implementation plan in the months ahead, we will compare the basis of our figures, compare the sources and the data, so that we have a clear understanding that we're comparing on the same basis.

We believe the legislation is sound. It's practical legislation. It interferes virtually minimally in the operations of those cities that purchase and resell their electric energy. It provides a large number of benefits that would be impossible to achieve unless other sorts of decisions were made to resolve those issues.

MR. R. SPEAKER: Mr. Chairman, I make only this comment about the process that will go on between now and April 1, and the involvement of MLAs. I think the minister would agree that once this legislation is passed, it becomes a different format. When I go to my constituents, once this legislation is passed, I'm telling them what they're going to get. It's a foregone conclusion. This law is in the province of Alberta, that's what they have to accept, and I'm trying to sell it to them. It's a "telling" format. I've never appreciated that kind of format. I'd rather have it the other way around; that I say, here is a concept I can present to you. I didn't have the opportunity to do that before I came to this Legislature.

As I said, I really wasn't aware that the government was taking this position. Maybe your caucus members did know that, and fortunately I'm not in your caucus. One thing that has been missed in the process is public input, even in terms of your own caucus members. If they held any kinds of public meetings, I certainly didn't see any discussion in public, in the press, or through the media. They must have been held somewhere behind closed doors. They were not public discussions.

At this point in time, Mr. Minister, you're asking me, and I would say you're asking every one of your colleagues on that side of the Legislature, to go out and tell the people what they're going to get. That's not your format, Mr. Minister.

MR. DEPUTY CHAIRMAN: Would the hon. Leader of the Opposition kindly come back to parliamentary rule.

MR. R. SPEAKER: Mr. Chairman, that's not the minister's format. As long as I have known him in this Legislature and in private life as a businessman, the minister has always been involved in public discussion before some decision has been made. I'm very surprised at the format the minister is using at this time. Yes, the government has the power to do it; yes, they have the majority; yes, they can do it in this Legislature before it closes, whenever that is; and yes, the public has to live with the impact, the ramifications. No question about that. They must live with it, because that's the Act that's going to get passed.

The people of Alberta are victims of the system, victims of the Legislature. That is not the democratic process. That's not the process where an idea goes out to the public, they discuss the idea, have their input in terms of the negatives and positives, and then we as members of the Legislature are able to come and discuss it on that basis. I have to admit, Mr. Chairman, and I say to the minister in all sincerity, that not hearing about the idea, not being involved in any caucus discussions or any discussions at all, I have not had any feedback. I stand here as an individual person representing only myself, I guess, because I don't know what my constituents think. The few I've raised it with said, I never heard of that; I didn't know any equalization was going on in terms of wholesale power or rationalization of power across the province; I didn't know about it; what does it mean? Well, they ask a good question. They're saying, tell me what it means and then I'll be able to respond when I'm asked about it. But I have only one alternative after this legislation is passed and they ask that question: here's what it means; you've got to accept it; it's either going to increase or decrease your power rates; and it's there forever after, unless maybe the government changes and the next government thinks it is not a good format. This government isn't quite humble enough to see a mistake later on and change it. We've seen a number of mistakes stay in place because the government has a majority and doesn't want to admit mistakes.

Mr. Chairman, there's a big difference between telling people what they're going to get and selling it to them, and going out and saying, what do you think of the program; do you think it's good or bad; if you think it's good, tell me and I'll go to the Legislature and make good representation. That format hasn't been followed. All the good will, all the selling out there after this legislation is passed and people are not clear on it and don't understand it — you deserve the reaction you will get.

There's no rush to have an election, unless you're going to have one in March and you're going into a different portfolio after March. This could be your mark in history. I can understand that you have a rush for that reason. But if you're not going to have an election in March and as minister you don't want your mark in history relative to this, maybe we can put this off till the spring Legislature and have a discussion. The department people can go out in terms of public relations, press releases, community contact, and discuss the matter with the REAs out in the rural communities rather than with the central executive. Then when you come back, you'll have full endorsement, no endorsement, or maybe something in between. At that point in time, you have to make a decision. Now, the public may disagree because they just haven't been consulted. Maybe the program is good, and you will have a reverse effect that you may not appreciate, or you may have to backtrack later on. I don't think the minister wants to do that kind of thing.

So I think the minister should reconsider what he's doing with the public of Alberta in terms of the process of selling the concept. Right now, in a sense we're getting a unilateral move. A few days have passed in the Legislature, the public hasn't had time to react. They get it; that's it. I think we have more time than that to make changes as significant as this. This is a major change in the legislation.

The minister said we're going to be responsible for selling the idea to the public and that figures could change later on. Mr. Chairman, I note that the minister has indicated in some news articles that there would be

certain costs. I'd like a comment from the minister on this. For example:

Calgary will pay 8.5 per cent more at the end of five years than it would have without the agency.

Is that still legitimate? That's most likely based on present-day policies, not on changing policies. Secondly, the minister said:

For instance, the average monthly rate in Lethbridge (\$23.52) fits between Calgary at \$19.83 per month and Grande Prairie at \$32.75.

Are those acceptable figures out in the market place at the present time? It goes on to say:

Mr. Shaben said as of April 1, Calgary homeowners will pay an average of \$22.50 a month and Grande Prairie bills will be about \$27.

This is key to the information:

About one-third of Alberta customers will temporarily enjoy a rate reduction.

By that statement, does the minister mean that all rates will go up after this initial change in the agency, that for three or four months there'll be a rate reduction but after that they all go up anyway?

In another article, the minister indicates that:

The province said its new wholesale rate for electricity will reduce current rate differentials by 80 per cent.

The minister already commented that that was accurate.

The remaining 20 per cent, representing distribution costs, will not be affected.

I believe the minister responded to that already.

The other area that I relate to the minister in terms of the reason behind the scenes for this kind of legislation, the reason we're trying to move ahead — the minister represents the Slave Lake area. I'm sure this will be one of the accusations. I note in an article in *The Calgary Herald* of November 18, 1981 — and I'd certainly appreciate the minister commenting on this, because this will come back at the minister at a later time:

It has been suggested that the real objective is political — to cushion a threatened rapid increase in power rates in the northern part of the province. If that is the aim, let the government be frank about it, and let it find a method of achieving it which does not involve direct government intervention.

That's the comment in this *Calgary Herald* article. The minister, representing northern Alberta, leaves himself open to that kind of criticism, particularly right now. That's the point I make: Albertans aren't aware of the program or the legislation and, secondly, they are going to have to react after we pass it here in the Legislature. I think the minister leaves himself open to that kind of criticism.

Mr. Chairman, I'd appreciate the minister's comments on those things. Is he ready and prepared to face that kind of onslaught after the fact? Once we pass the legislation, all these suspicions and concerns rest on the minister's shoulders.

MR. SINDLINGER: Mr. Chairman, I have several questions to ask but, before I do, I guess we seem bound to come back to this question of public input. I think the government caucus system works quite well, because it enables all the MLAs to provide input to government decision-making. I follow that same procedure now with my caucus. [interjections] But from time to time, when I walk into my caucus I have to ask myself whose point of view I'm representing and whom I have asked about these things. Even though I see myself sitting there and ask

myself these questions, I sometimes have doubts about them, in that I recognize that I have a certain point of view and sometimes it's not representative of a broad spectrum. So what I have to do is ensure that I get input from other places as well. Certainly, I recognize that this other person in my caucus isn't infallible. I might be bold enough to suggest that from time to time the opinion expressed in the government caucus might not be infallible either. It never does hurt to touch base with others outside the caucus and get broader representation.

Generally when there are rate increases, there's a facility for appealing those rate increases through the Public Utilities Board. The Public Utilities Board has the opportunity to review proposed rate increases and to hold public hearings for them. This situation is not too dissimilar, because in effect we're talking about rate increase for a large sector of the population. I'd like to get into that a little later.

Right now I have two questions. One is for greater certainty in regard to the representations made by the city of Calgary. Has the city of Calgary made a representation since last Monday, or were they just considering it? If they did make the representation since last Monday, has the minister officially responded to it? The second question I have is in regard to the subsidy of \$100 million over the first year. Could the minister please give us a geographic breakdown of the distribution of that subsidy, with special consideration to the amount that would be allocated for Calgary and Edmonton? As a supplementary to that, I haven't heard any questions asked about the impact on ratepayers in Edmonton. I understand that the government has assessed the potential impact for Calgary at about 8.5 per cent. Is that a similar figure for Edmonton as well?

MRS. CRIPPS: Mr. Chairman, I'd like to make a couple of points about public input, because it's been mentioned a number of times. I think the Leader of the Opposition was correct in his first statement, that Alberta consumers don't really care how the power is delivered to them. What they want is a guaranteed supply at a reasonable price. I guess that's the key, because that's what this marketing agency is designed to do.

I'd like to say that I attended the Union of REAs meeting at Red Deer, where there were over 250 registered delegates and numerous people who weren't official delegates. I know the minister outlined the prospective we were looking at, the 10 points I enumerated the other day, alternatives for solving the problem. I hate to hazard a guess, but I imagine that we've probably had 10 to 15 meetings with different interest groups, some of them being REAs, and talked about their problems.

I suppose the one thing this doesn't solve is the master contract and the line takeover. It doesn't solve those problems. But it solves nine of the 10 other problems that we discussed and that I illustrated the other day. The only other alternative that solves the nine out of 10 is public power. I suppose it would solve the line takeover and the master contract, because you don't have to worry about a contract anymore. You are the contractor and the contractee, and all the rest of it.

I'd like to re-emphasize the positive aspects of this Bill. The 72 KVA point of resale was chosen as a compromise between administrative efficiency and the elimination of rate differentials. At that point, the rate differential is going to increase in the province of Alberta. I really haven't heard any argument against that conclusion. There's no argument for that conclusion. I guess the

argument I'm hearing is the method. I've talked to members of my own REA about the alternatives. Quite frankly, I don't think you're going to get any informed feedback until people have a substantive program out there, that this is what it is. As long as it's illusionary, there's not going to be any real public feedback; at least I've found it very difficult to get.

As has been mentioned, 80 per cent of this rate differential would be eliminated. I guess the additional benefits which would flow are that it simplifies integration of power purchased extraprovincially, encourages government policy of balanced growth, and rectifies the discriminatory natural gas rebate to the city of Edmonton. I think you have to admit that the government is very much involved by way of the natural gas subsidy to the city of Edmonton and the ERCB's designation of who builds what power plant. Whether or not we want to admit it, I think we're indirectly or directly involved. This helps take away the special benefits that one company or another might get from that involvement. In fact, the next point is that it reduces significance of decision on franchise and service area allocations.

Next point: it equally distributes increased cost of production and transmission or introduction of new supplies of high- or low-cost electric energy. I guess the costs of new plants coming on stream down the road may be horrendous to some of their users. It also optimizes the least cost energy supplies. It only partially resolves the REAs' concerns. One of their concerns, by the way, was the different prices of power to different REAs within the province.

[Mr. Appleby in the Chair]

The next point is relatively simple administration, and it doesn't adversely affect the role of the ERCB. In fact, I think it would make the role of the ERCB much easier, because their decisions don't make such a basic difference to the consumers of Alberta. It temporarily reduces energy rates to one-third of provincial consumers. So I guess the pros, if you want to call it that, of the marketing agency far outweigh any detrimental effects it would have.

DR. C. ANDERSON: Mr. Chairman, I'd like to rise and say that I'm sure my constituency of St. Paul and my constituents will be pleased to see Bill 92 coming forward. There is an accusation that there hasn't been public input in the decision that has taken place on this Bill. For a number of years, there has been considerable interest in St. Paul. It recently surfaced again in late 1980 and the early part of '81, over the St. Paul regional school, which developed an electric bill of over \$8,000 per month. That brought input to the St. Paul Chamber of Commerce, requesting that the government go to public ownership. After four meetings of the Chamber of Commerce, public ownership was voted down but it was strongly recommended that something be done.

I guess really what we see here is a conflict between rural and urban. We usually see that. But in our process over the past several years, we have AGT to provide a service on an equitable basis to all our constituents throughout the province. I'd hate to see us have to change that, so that the rural areas really were handicapped on both economic and other means of communication. So I'd just like to add the support of the constituency of St. Paul to the minister for the action he's taking at this time.

MR. BOGLE: Mr. Chairman, I want to make a few comments after hearing the Leader of the Opposition talk about public input and the need for more time. I think it might be enlightening if I were to review some of my own activities during the past few days.

I attended public meetings in Warner, Vulcan, and Wrentham. Two of those communities are in the constituency of Taber-Warner. Vulcan is in the constituency of Little Bow. I can assure the hon. Member for Little Bow that there were discussions at that meeting in Vulcan, a good cross section of people from across the constituency. It's possible that the hon. member wasn't able to make it to his constituency this past weekend; I'm not sure. But I would like to assure the Assembly that in discussions at those three public meetings, as well as discussions I've had with two executive members of REAs from within the constituency, there's a great deal of interest and excitement about the concept and the basic principle of a program such as this.

For some time in the Taber-Warner constituency, there has been an interest in finding an alternative to the current arrangements. We have two major utility companies and several owned by municipalities. The moves in general were very well received at the meetings I attended, including the meeting in Vulcan.

MR. SHABEN: Mr. Chairman, there have been some useful comments on this important piece of legislation, and I appreciate the comments of the members of the Assembly. The Member for Calgary Buffalo said that when he talks to himself, he doesn't always agree. I think I'd have the same trouble if all I was doing was talking to myself, but having an advantage of discussing it at considerable length with caucus colleagues has been helpful in developing the policy and the ultimate legislation. Those haven't been the only discussions taking place over the past couple of years, as the hon. member will recall.

There has been a great deal of thought, debate, examination, and research before bringing this Bill forward. As the Leader of the Opposition and the Minister of Social Services and Community Health have indicated, members of the government caucus recognize that this is a very important piece of legislation. There is no effort or attempt to slip anything over on anyone. Over the past two and a half years, there has been a thorough and careful examination, as evidenced by the comments of the Member for Drayton Valley in discussions with her constituents on the issues, and then an examination of the options available to a government. And there are options that are extreme.

On the one hand, I would say there is the status quo which, if I'm not misreading the Leader of the Opposition, is what he's suggesting. Maybe we leave things as they are, with huge and growing rate differentials, with a lack of capacity to deal with the other issues we've dealt with at length. I know the other option is the one that the leader hasn't advocated; that is, massive government intrusion into the utility sector, which would require expropriation and the taking away of the capacity of Lethbridge and Calgary to set their own electrical rates, forced takeover of Edmonton's utility and its generating capacity. That's an extreme. I believe the government has chosen a wise and reasonable course of action, which is a marketing agency with the subsidy injection to offset the effects of cross-subsidization as we move toward economic dispatch.

I always find it difficult to respond to media comments. I would much sooner respond to comments from the

Leader of the Opposition than to comments from the media. I seem to get into trouble when I respond to media, because they always have the last word. With constituents, it's much easier. If the Leader of the Opposition would like any assistance that I can provide in communicating with his constituents, I'd be happy to do so, as the Minister of Social Services and Community Health has done.

The temporary rate reduction — and I'm responding to that comment by the Leader of the Opposition because it was raised by the Member for Drayton Valley, and not as a result of a newspaper article. I thought I dealt with that at length during second reading on Thursday evening, when I indicated — and provided members with a copy of this document, "Power Generation in Alberta" in future years — the impact of that new generation, and all the other factors that go into the new plant that's required, and the impact it's going to have on Albertans in terms of rate increases. Because there are more people in Alberta, and each individual, family, and business is demanding more and more electricity, and because there seems to be a movement towards electricity providing a greater share of our energy requirements, the projections of the Electric Utility Planning Council and the other experts in the field is that electric energy prices are going to go up two and a half times in the next 10 years.

That's the reason for the expression "temporarily reduces rates". I wouldn't want to leave the citizens of Alberta with the impression that there is some magic capacity in this Chamber to reduce these costs to consumers. We simply can't, because of all the factors that go into the cost. But there will be a temporary reduction for some consumers.

The question by the Member for Calgary Buffalo of where the \$100 million subsidy goes, and peripherally he asked how it impacts on the city of Edmonton as opposed to Calgary — I think that was the nature of one of the questions. The money will go into the pool. I described the pooling process. The agency would purchase the power, own it for an instant, average the transmission and generating costs and, at that point, would inject the subsidy. So the subsidy goes back into the system, and the utilities buy back the power from the agency. The dollars go into the pool, and they go back to the utility that has supplied the energy to the agency.

If the question is how it impacts on certain classes of customers, it's obvious that it impacts on those who presently have the higher rates, because it offsets those higher rates by the money being injected into the pool. That's how the subsidy will be moved in. It goes into the pool, and then it goes back to the generating utility, which in turn resells it to its customer with their traditional relationship.

The precise effect on any individual customer — I have dwelt at length, both in the Assembly and in discussions outside, on the impact on Calgary. The Member for Calgary North Hill really highlighted the reason there has been so much emphasis on the city of Calgary; that is, because of the relationship between the city of Calgary and TransAlta, and the fact that for a number of years Calgary has been able to purchase electric energy at less than cost. Once the agency is in place, the city of Calgary will be buying at the pooled wholesale cost at the edge of their corporate limits.

An example of what would happen to a residential customer who consumes 6,300 kilowatt hours in a year, a typical level of consumption for a residence, a Calgary resident would pay \$238 in 1981. Without the agency, a

typical Calgary resident would pay \$270 in 1982, and that's based on what we expect the increases would be. With the agency, a Calgary resident would pay — and please let me make clear that these are our projections — \$270 in 1982. That's the first year of the marketing agency being fully implemented. There will be zero impact on a Calgary customer.

Now, in this response to the question by the Member for Calgary Buffalo, let me give you Edmonton. In 1981, a typical Edmonton customer who uses 6,300 kilowatt hours would pay \$233. In 1982, with the status quo, he would pay \$285. With the marketing agency, based on our projections and the level of subsidy I proposed for the agency, a typical Edmonton customer would pay \$270.

In the very earliest question, the Leader of the Opposition mentioned Grande Prairie. The electric energy bill of a typical customer in Grande Prairie who consumes about 6,300 kilowatt hours is \$393 in 1981. Without the agency, his bill would be \$436 in 1982, based on our projections. With the agency, a Grande Prairie resident would pay \$324 in 1982.

This points to the point I made in earlier debate and during committee study, that the differential is not being eliminated. The effect of the marketing agency is to pool the cost of generation and transmission, but distribution costs will be borne by the customers. It's a very simple procedure, although the implementation is going to be complex and it needs a lot of work over the next number of months. That work will go on. In terms of the benefit to Albertans — not just Albertans who are being served by REAs, as referred to by the Member for Drayton Valley, but all Albertans — I believe the benefit will accrue over the years as we move toward what I've referred to as economic dispatch.

Maybe I could elaborate on that in this way. The most recent approval for a new generating plant was Genesee 1 and 2, to be built by the city of Edmonton to serve Edmontonians. When that plant is commissioned in 1987-88, or 1986-87, depending on the decision by the Energy Resources Conservation Board, the full cost of the capital will be rolled into the rates for the consumers of the city of Edmonton, were we not implementing the marketing agency. Let me give the members of the Assembly another plant: Keephills 1 and 2, a Calgary Power plant that is being built and will serve TransAlta's customers. I'd like to explain this so that the relative impacts of these two plants on the systems they serve are clear to all members. If Keephills 1 and 2 is commissioned in '83-84, the accumulated capital cost of that plant — the interest, the cost of construction while being built — will go into the rate base of TransAlta's customers. But TransAlta's customers will have the benefit of averaging the cost of that plant with all the previous plant that has been built since 1896, whether it's hydro on the Bow or a coal-fired plant at Wabamun. As a result, the impact of that plant going into the system is far less on TransAlta's customers than the impact of the Genesee plant going on stream for Edmonton.

Now, what happens with the marketing agency? The real result of the marketing agency is that you have the benefit of a single system, in that Genesee comes on stream, an 800 megawatt plant serving a portion of the Alberta interconnected system. But as a result of the pooling process, those higher costs that would have gone to Edmontonians become a part of the average pooled generating costs, and we have the benefits of a single system but without the massive government intervention

of moving in and taking over them all.

I hope this has been helpful to members in describing a little more what the system is about. In terms of the government moving with this legislation, as I've said before, I think it's sound legislation. It addresses not only the concerns of rural Albertans but the long-term concerns of those in urban centres. It addresses all the other issues I've mentioned: the possible benefits of export of surplus quantities, and the development of future hydro sources and a method of integrating them. At the same time, the government is offsetting the early effects of this move by committing itself to a five-year subsidy. We achieve a sound system of providing Albertans with electric energy without massive intervention in the market place.

The argument may be made by the Leader of the Opposition that we haven't talked in every corner of the province and tested the idea. But I'm confident it's a good program. It's not a parochial program to serve certain constituents in one part of the province or another. It is designed and developed to serve the entire province in a reasonable way. There are certain times when governments exhibit leadership, and I believe this is one of those times. I'll repeat: I'd be comfortable to go into any part of the province and discuss the objectives and operating methods of this agency, and feel confident that Albertans believe that the government has made the right initiative and that it's sound legislation.

MR. R. SPEAKER: Mr. Chairman, I really appreciate the last figures the minister presented to us, because they give an idea of what's happening in various areas. Are figures like that available, say, for my own constituency, for the cities of Medicine Hat and Lethbridge, so we can see what is happening in various areas? That helps to understand the plan. It helps me to understand that under present circumstances, this is the kind of impact that will occur after the legislation is passed. If the minister can provide that type of material to us in the Legislature in terms of our respective constituencies, all the better. I know that Medicine Hat is just a little different situation. Maybe the minister could comment on that.

It looks like the task we as members are taking on is to be able to talk intelligently about this matter in our constituencies. I think the questioning going on between us at this moment is providing the kind of material that's necessary. But the new material you just raised in your last few remarks was not available to us before this discussion occurred in the last 15 or 20 minutes. So I think it's incumbent upon the minister to provide more details of that kind, and I'd like to know if they are there.

Mr. Chairman, in terms of discussions with my constituents, I want to say this to the Minister of Social Services and Community Health. Certainly, I think it's good that all input to this government occurs. And from my constituents directly to ministers, I think it's good to have that opportunity. The Minister of Utilities and Telephones was in my constituency in terms of the cabinet meetings, and I thought that was good. But we didn't discuss this item. I want to say, though, that that evening I was with one of the best Conservatives in my constituency, and this Conservative was visited by the Premier. The Premier, with the Minister of Agriculture, made a special trip by helicopter into my constituency to visit that good constituent. Because that constituent was able to attend another function with me, I felt that maybe the meeting attended by the Minister of Social Services and Community Health and other members of this Assembly

wasn't as important. So I went to a meeting with the Premier's choice rather than other persons' choice. We had a good evening together. One discussion we didn't get into was with regard to rationalization of power rates. At this point, I'm sorry I didn't do that. We had some other excellent discussions as well.

Mr. Chairman, to the minister: could you elaborate on any other material you may have with regard to other areas of the province? I think it's necessary for us as members of the Legislature to have that. If it can't be provided today, is there a time when the minister is going to give that other background material, which I'm sure he has at his fingertips.

MR. SINDLINGER: Mr. Chairman, it's not the concept we're discussing right now; it's more the details and elements of the proposed project. In regard to the \$100 million subsidy, the minister gave us some examples for Calgary, Edmonton, and Grande Prairie. For Calgary, for a typical residential consumer consuming 6,300 kilowatt hours per year, the cost would be \$270 in 1982 without the agency. But even with the agency, the cost would remain at \$270 per year. I understand that the \$100 million subsidy for the first year is put into the pool at the point of generation or the point where the commission or marketing agency takes title and then sells back. It's not lost there, though, because initially when the project was considered, there had to be an identification of the problem areas; that is, those areas where it would be desirable to rationalize the rates.

So to come up with \$100 million, we could have made one of two decisions. One, we could have said that in the first year, we'll subsidize various areas up to a limit of \$100 million and arbitrarily have selected that. On the other hand, we could have identified the problem areas where there was a need for rate rationalization, set a target level, and then added them all together and said that it looks like this: all together in the first year will amount to \$100 million. We had to come up with the \$100 million in one of those two ways. If we did it the second way, we must have been able to say that area A would have benefited by the amount of X dollars, area B would benefit by the amount of Y dollars, et cetera. On the other hand, offsetting those benefits in certain areas, costs would be incurred because what we benefit over here, we have to pay for over there. The total benefits would then be \$100 million in the first year, if that's the level we reach. The question is, who is paying those costs?

Now, where does this \$100 million go? Even though it's blended in the pool when the agency or commission takes title, there's going to be an area, or areas, that benefit to that degree, to \$100 million. If that is the case, which areas in general will benefit from that \$100 million? Rather than talking in percentage or per unit terms for the city of Calgary — for example, earlier we were talking about 8.5 per cent increases for the city of Calgary — what does that translate into in total dollars? Is that 8.5 per cent in the first year of the agency, or is it 8.5 per cent over five years? If it's 8.5 per cent over five years, how does that translate into total costs over the five years for the city of Calgary?

MR. SHABEN: Mr. Chairman, the Leader of the Opposition asked if we had figures for a number of communities. In our work over the years, we selected typical communities. We didn't test it for every community. But if a particular member wants information on how it impacts on a particular community, I could have the

officials work it out. Their rates would be similar to one of the test communities we did. I'll just run over the communities we used in our examination: Edmonton, Calgary, St. Albert, Grande Prairie, Lloydminster, Lethbridge, Spring Coulee, and Acadia Valley. We looked at the entire province and tested the impact of the agency on those communities throughout the years. This flows to the question by the Member for Calgary Buffalo.

We have projections of the dollar requirements of the provincial Treasury for the five-year phase-in. But because we budget from year to year, I've provided the members with an estimate of what we will be requesting in year one. From the figures I quoted for three centres, the hon. member already has an indication of where the funds flow. If he took note when I gave the specific numbers for those three centres — Edmonton, Calgary, and Grande Prairie — that gives him some idea. The percentages for different communities differ depending on their circumstances and how they're served by a utility. That's all part of the work.

The basis on which we established the \$100 million was not taking the figure the government wanted to put in, but developing a process that worked toward achieving the rationalization over a five-year period. As a basis, we took the two major population centres, Edmonton and Calgary. It would be obvious to the member that this year, a typical consumer, as described, would pay \$233 in Edmonton and \$238 in Calgary. We felt that was the basis on which we would start our phase-in — the present typical residential consumer's bill in those two major cities — and move the phase-in from that point. If he noted the figures I provided, it would be obvious to the member that in 1982, under the agency, Edmontonians would be beneficiaries. So who does the \$100 million go to in terms of where it ends up? It ends up all over the province, assisting consumers as we move into the phase-in.

I have dwelt at length on the city of Calgary, as a number of members properly have. In our projections, at the end of the five years a Calgary consumer would pay 8.5 per cent more with the agency than he would without. There is a disagreement on those numbers, as indicated earlier. We plan to work with the cities and the utilities to reconcile and work through the phase-in period. Beyond that, to give the hon. member a specific as to where each dollar goes would be virtually impossible except to respond after doing some research on a particular community. We've tested these communities in order to get an understanding and to do our evaluation. They're typical in terms of distances from generating plant, size of transmission line, and so on.

MR. SINDLINGER: Mr. Chairman, just a short question to the minister. Is Calgary the only centre in the province that will be paying more with the agency?

MR. SHABEN: Mr. Chairman, we go back to the very important earliest comment by the Member for Calgary North Hill, in terms of the relationship between TransAlta and the city of Calgary and the bulk purchase arrangement where the city has been buying at a preferred rate. I described this on Thursday evening. Generally, 60 per cent of the generating and load of the province is provided by TransAlta Utilities. TransAlta happens to be the utility that serves Calgary. The effect on consumers served by TransAlta will be different from the effect on consumers served by Alberta Power and Edmonton Power. But the net impact on the overall system is a result of achieving what the hon. members know and understand



as economic dispatch, in that we will ultimately end up with optimum use of our generating capacity.

It's difficult for me to convey this to members of the Assembly, but ultimately the consumers in all parts of the province will benefit from the program because we end up with a single system concept, but still the freedom of each utility to compete for various aspects of the business. So the entire province benefits from the program because of the benefits of single system operation. In terms of the precise dollars and cents, I have described it and it was an important comment, Mr. Chairman. Because of the growth in the province in terms of the number of people and their demands for electricity, and the growth in industry, there is going to be a growth and an increase in the new plant. If the member referred to the document that was filed, he will have a better understanding of the number of new plants the province requires to meet its needs over the years. If we can get optimum use of those plants by the marketing agency and economic dispatch, the beneficiaries of the program are the people of the entire province.

MR. GOGO: For clarification, Mr. Chairman, when the hon. Member for Calgary Buffalo put the question to the minister about cities having increased rates, I think he responded that the only city that would have increased rates was Calgary. I'm sure that wasn't the intention, because as we discussed at second reading, there would be some degree of increase in rates for Lethbridge. I would just ask the minister to clarify if indeed that was an accurate comment.

MR. SHABEN: Mr. Chairman, since the Member for Lethbridge West has risen, it would be useful to provide information for him for his constituents. A typical Lethbridge resident who uses 6,300 kilowatt hours this year would pay \$251 for his electric energy. Without the agency, a typical Lethbridge resident would pay \$278 in 1982. With the agency, that Lethbridge resident would pay \$275 in 1982. So in 1982, a Lethbridge resident would be pennies less. But as the phase-in occurs, there would be some slight increase for Lethbridge residents, though less as a percentage than that experienced by Calgary.

I should draw members' attention to the fact that the city council has the capacity to set rates, and we won't interfere with the rates it chooses to set. In his remarks Thursday night, the member indicated that Lethbridge made a net profit of \$2 million from the sale of electricity that cost the city \$8 million, which is a significant level of profit-taking. But it's up to the city as to what percentage profit they choose to take. I can't guess what rates the city of Lethbridge may set in 1982, '86, or '90.

MR. SINDLINGER: Mr. Chairman, coming back to this \$100 million subsidy, I would imagine that one of the primary questions anyone will pose in any situation is what it costs in total. I understand the initial subsidy is \$100 million in the first year, but I'm not too sure I've heard what the subsidy will be over the remaining four years. I know the minister just made reference to a five-year projection which has been made for the Provincial Treasurer so that he can do his budgeting and cash flow forecast.

I ask the minister if he could indicate to us what that subsidy will be over the subsequent four years. I know the minister earlier referred to the difficulty in making forecasts, but they have been done over 20-year periods for power consumption for all categories: commercial, resi-

dential, and industrial. So whereas we cannot specifically pinpoint them, we can get an order of magnitude to know what they are in general.

I concur in the comments made about the economies of scale that can be achieved by bringing all this together. Certainly that's what achieved the low costs for Calgary over the years. The minister talked about Calgary getting or winning a preferential rate: 88 per cent of the average roll-in cost over the early years, and now 94 per cent. There are good arguments for a lower rate, and certainly there's a precedent for that in other situations too, not only for power but transportation rates; for example, railway freight rates. Preferential rates are given to those who can ship in bulk or large volumes over long periods. So I don't think the city of Calgary was really getting anything for nothing over those years. There was ample precedent for that.

I would like to ask the minister what the projected total subsidy is for the total five years of the phase-in period. The minister has indicated that a five-year projection has been done for the Provincial Treasurer. I know that an earlier comment was made about that subsidy, and the minister indicated that he didn't want to go past the five-year period because he didn't want to bind future governments. But it could be quite possible that the minister would be binding a future government if we have an election on March 10, 1982, because my colleagues on the right might take over the government or, if they're not up to it, perhaps I might take a shot at it. So in terms of binding future governments, this five-year phase-in program is a bind on the next government in any case. Even if the next general election isn't until 1983, we're still going over into the next term of the government.

Perhaps I might ask the minister to address the question of the total cost of the subsidy over the first five years of the program. Try as I might, I'm still having difficulty understanding the disposition of the benefits through the subsidy. The subsidy has to work itself throughout the system somewhere, and costs have to be incurred. Notwithstanding the fact that there will be benefits to Calgary, and their rate increases could be greater than 8.5 per cent over five years without the rationalization of rates and the economies of scale that will result from all this, there has to be some way to put a figure on the costs rather than a per unit cost. If we can get down to a per unit basis with the numbers given for Edmonton, Grande Prairie, and Calgary on a comparison basis, then we should be able to come up with the total cost for all the cities. I have to admit that my particular interest right now is simply Calgary. If I'm having difficulty understanding this, I'm sure there's going to be a great deal of difficulty for the majority of constituents in Calgary to understand it too. Not that they don't have the ability to understand it, but simply because there's been such a short time frame for discussion and debate, and for the details of this program to filter down throughout the community.

MR. SHABEN: Mr. Chairman, as I indicated earlier, we have prepared the five-year projections for the phase-in plan for the Provincial Treasurer. The amount in year one, that I referred to earlier, wasn't an arbitrary amount; it was to achieve a certain objective. The calculations of the number of dollars required to achieve the phase-in over five years were done very carefully so that the phase-in would be reasonable and achieve the gradual move from the separate utilities into the benefits of the economies the hon. member referred to. It takes some

time for the utilities as a group to practise economic dispatch, as opposed to the individual utility doing it now. So we chose the five years because we felt that was a reasonable period to do it.

Also, in terms of the length of period of committing a government, the subsidy is not unusual. I recall that each time the natural gas price protection plan has been brought forward, there has been a five-year commitment to the massive benefits of that plan, which are over \$100 million a year. The government has properly been reluctant to commit governments beyond that period of time. So I don't believe it's unusual or not in the normal sort of practice not to go beyond five. In terms of providing the hon. member with the estimates, we have estimates of what it will cost, but I won't be providing them to members of the Assembly. I've provided the first year, and those will be dealt with each year in the normal budgetary sense. But the commitment of the Legislature, the minister, and the government to provide that phase-in four or five years is there.

MR. SINDLINGER: Mr. Chairman, I have no objection to the concept. The concept to rationalize energy costs and to attain large scale economies for the entire province is a good one. The question about the five-year phase-in period is a matter of opinion. One can argue five years, 10 years, or whatever. But I submit to the minister that it's rather unfair to ask the members in the Legislature to vote for a program that will extend over a number of years, yet not reveal to them how much that program will cost. When the minister knows within a reasonable range and order of magnitude what the cost will be, I don't believe it's fair to ask the Legislature to make a commitment for something over a number of years but not tell the Legislature the extent of that commitment. That too might be said to be a matter of opinion, or the opinion of the Member for Calgary Buffalo.

I don't stand alone in that sentiment. The Auditor General has expressed the same concern in his annual report to the Legislature. He discusses it in relation not only to the heritage fund but to programs in general undertaken by the government. The Auditor General has quite emphatically made the point that a number of programs are initiated each year which will have a lifespan more than that budgetary period. In instances like that, it's incumbent upon the government, and is indeed their responsibility, to reveal to members of the Legislative Assembly exactly what it is they're getting into.

Notwithstanding the relative merits or value of this program — and it seems that the minister has unanimous support around the House, except for perhaps the process of public input and the matter of opinion about the five-year or 10-year phase-in — the only question left that I haven't resolved yet is how the benefits and costs are distributed throughout the province, particularly how they impact on Calgary. I would like a more satisfactory, detailed analysis of that than I've got so far. But the remaining question is, how much does it cost? We can walk into a showroom or a used car lot and be sold on the merits of the car in front of us. It can be shiny, fast, powerful, or whatever. But the bottom line is, how much does it cost? The minister is getting a great deal of support for this program within the Legislative Assembly. But the last question again is, how much does it cost?

We know who is paying the \$100 million in the first instance: the taxpayer of the province, through us one way or another. When we go back to our constituents, are we to say to them: this is a great program; don't

worry about anything. And when the constituent asks us how much it costs, we're going to say, well, the minister knows but he hasn't told us yet; but you wait, and in his good judgment he'll tell us next year and perhaps the year after.

I suggest that that's not good enough. If the minister has the information, it should be made available to the members of the Legislative Assembly, so that when they vote on this particular project they know precisely what they're voting on. Please reconsider that and, if the minister is unable to take that into consideration, perhaps take into account the fact that some concern has been expressed about the process of public input and public — the Premier used the words "public awareness" the other day. Give concern to public awareness and how we make the public aware of this quite dramatic change that's going to be affecting them throughout the rest of their lives in this province. Give some consideration to holding this over a little while, so the public can be made aware of this and that the minister can be more comfortable with the thought of telling us how much this is going to cost.

MR. R. SPEAKER: I just add on the record that my concern is the very same. We've committed \$100 million. Even if we can't receive commitment for the other four or five years, what the government expects the taxpayers of Alberta, from the resource revenue of this province, to indirectly subsidize the power rates should be on the record. That's all part of government responsibility. If it's \$100 million for the next four years, why shouldn't we know that? Why can't the minister tell us that? I'm sure the projections are on paper somewhere, or the minister couldn't have received approval for the first \$100 million. Mr. Chairman, I think we should have an answer to that question.

MR. SINDLINGER: Mr. Chairman, originally in making my comments I said that it might have been a matter of opinion whether or not full disclosure should be made on this particular project. I said there was another who had the same opinion, and I referred to the Auditor General's report. Now that I have it, I'd like to give the specific recommendation of the Auditor General.

This is the Auditor General's report for the year ended March 31, 1980. On page 36, it deals with estimates for projects, Section 2.4.3. It's quite lengthy, and rather than going into it I'll just paraphrase it for the minister's consideration and go on from there.

First of all, the Auditor General starts talking about the major capital construction or development projects undertaken by the province, and quite rightly notes that these normally extend over a period of more than one year. So when we embark upon such projects, we're making a commitment not only for this year but for several years. In such circumstances, the Auditor General says that approval of funds for the first full year of a project is tantamount to a commitment to complete the entire project. In this case, of course, we have a commendable project which members would probably support throughout the life of the project. Certainly, you can envision instances where a project could be undertaken and, even though the benefits become less apparent as time goes on, the government continues to fund it since it made that first commitment. That's not in the best interest of the province or the beneficiaries over the long term.

The Auditor General goes on to talk about the publication of annual expenditures and estimates, and goes on to talk — well, more of what I've just said, I suppose. His

final recommendation is this:

It is recommended that, in the interests of improved accountability to the Legislative Assembly and more effective budgetary control, appropriation bills should be supported by more extensive financial information on major capital expenditure projects. This information should include details of the original estimated costs and scope of each project, cost and scope revisions, costs incurred to the end of the previous fiscal year, current year forecast, expenditures to be appropriated for the next fiscal year, estimated future year costs to completion and the total estimated cost for each project.

It goes on and says things of that nature.

We have an instance here where we're being asked to vote on something that will incur an obligation for the Legislative Assembly far beyond the first year. It's a very good program. The minister has been very patient and tolerant in [answering] detailed questions, and he's given detailed responses. Various members have expressed their appreciation for that tolerance and patience, and the details he's given. With a worth-while program such as this, it would be a shame to have members hold back approval simply because it's contrary to one of the basic tenets of our democracy, and that is prior approval of expenditures.

MR. CHAIRMAN: Actually, the hon. member is getting in a very repetitious state in the remarks he's making. Perhaps he could come to the point and finish off.

MR. SINDLINGER: Yes, I'll do that. [interjections] I do have a tendency to ramble, Mr. Chairman, and I'm glad you brought me back to the point.

MRS. CRIPPS: You said it's a good program. That's where you should leave it.

MR. SINDLINGER: The point is simply this, Mr. Chairman. It's a good program. However, we're being asked to incur an obligation beyond the first year. We're being asked to incur an obligation for five years. On the other hand, whereas the minister knows what the cost of the program will be for the five years, for some reason — and I'm not too sure what it is; I don't know if the minister has explained it yet or not — the minister will not reveal the cost. Perhaps if he won't reveal the cost, he might give us an indication of the direction. Will it increase to more than \$100 million per year? Or as the years go on, will it be less than \$100 million per year? That's one question I can put to him, and I certainly ask him to give a great deal of consideration to letting us know what this project will cost.

MR. SHABEN: Mr. Chairman, I think I responded to the question earlier. To the second part of the hon. member's question, it will be a phase-in over five years, and the amount will reduce.

MR. SINDLINGER: Mr. Chairman, I'm not too sure, but perhaps for the record the minister might indicate to us why we cannot be told what the total cost of the subsidy will be over five years.

MR. SHABEN: Mr. Chairman, as I indicated earlier, we have the projections that have been developed. For the first year, I indicated that I would request from the Provincial Treasurer and the government a figure of

approximately \$100 million, based on the reasons I outlined, and that the program would be phased in over five years.

In terms of the amount to be appropriated each year, members of the Legislature have an opportunity to vote on estimates. They will deal with it in each successive year for a five-year period. One of the matters that has been raised by other members is why not 10? Why not 15? The government's policy on this, in order to achieve the smooth transition from our present system to one where we have the marketing agency operate, would be achieved in a reasonable way for all consumers over a five-year period. That five-year period will involve a subsidy that reduces each year.

In terms of the total amount, I'm unable to provide the member with the answer. But it will be dealt with in the budgetary sense in each year.

MR. SINDLINGER: Mr. Chairman, for a greater certainty, the minister said earlier that a five-year projection has been done for the Provincial Treasurer. The minister has just said that he is unable to give us the total cost. I would like to know if the minister is saying he's unable to give us the total cost because he does not have the number available to him at this instant, or if there is a reason other than that.

MR. R. SPEAKER: Mr. Chairman, my subject is with regard to the eight persons who are going to go on staff. As I see the program now — and I think the government's committed to move ahead and put it into effect — they most likely will perform two different functions: public relations or economic advisers to the minister, and maybe mixed into that will be administrative responsibilities. I'd like to know from the minister what kinds of professional people are being taken on staff, or are these people already on staff? Will there be a shift of personnel within the department to take care of this agency?

I see a very specialized kind of person, at least some of these eight people being hired in terms of specialized areas. Could the minister comment on that and give a breakdown of the kinds of people who will operate this program? The minister can't do all the public relations himself, and MLAs haven't all the up-to-date figures, statistics, details. They'll have to travel across the province to tell the people what they're in for.

MR. SHABEN: Mr. Chairman, that's an important question. On second reading, I indicated that we expected the agency to function with between eight and 10 people. We haven't hired any of the people, because the legislation hasn't been approved by the Legislature. There will be a major role for the chairman of the agency, who will have a responsibility similar to chairmen of other agencies that serve the government, whether it's the chairman of the Petroleum Marketing Commission or of one of the other very effective agencies. The chairman would have a similar role, and the staffing would be done in an appropriate way to meet the requirements of the Act. As I indicated, that hiring has not yet taken place.

MR. R. SPEAKER: Mr. Chairman, I asked for the kinds of persons. There will be a chairman. What will be the role of the other persons? Will they be administrative-type persons? Will they be persons who will work directly with the utility companies, where that will take a certain kind of specialty in terms of economic analysis? Could

the minister indicate a little more specifically the kinds of people that will be looked for?

MR. SHABEN: Mr. Chairman, I'm sure we will be able to develop the job descriptions for each particular aspect, and we've gone some distance in doing that now. The work the agency does — and after considerable debate, the members understand it — in terms of a high level of technical ability, it will be very, very important that the chairman is skilled and very knowledgeable in all matters related to utilities. Then appropriate support staff will be hired to work with the chairman. As well of course, it's not at all divorced from the Department of Utilities and Telephones, where we have people who are knowledgeable in the area of utilities and have been involved in that particular aspect of government responsibilities for a number of years. So we don't anticipate difficulty in attracting the kind of people who will undertake the responsibilities necessary in implementing this legislation.

MR. SINDLINGER: Mr. Chairman, I would like to ask the minister, please: after the five-year initial phase-in subsidy program is completed, what mechanism, procedure, or process is contemplated for that time to determine whether the subsidy should continue over an extended period of time and whether it should be increased or decreased?

MR. SHABEN: Mr. Chairman, I may have missed something, but I thought I'd responded to that question. I indicated that it's not this government's intention to bind a government five years hence. Probably many of the members who are here now will still be here, but those decisions would be made by a future government. What we are saying here and what I've said, I think, half a dozen times, is that the commitment is to a five-year phase-in period. Beyond that point, it's a decision that would be made here.

MR. SINDLINGER: Mr. Chairman, the problem with open-ended commitments like that is something similar to the 1941 feed freight assistance program. It was a one-year program, intended to be only for the duration of the war. But once something is left open-ended like that, it has a tendency to perpetuate itself. We know that today we still have the feed freight assistance program, and it's an annual event. It's been there 40 years, 1941 to 1981. I'm sure members at the time said, we don't want to commit our future governments or whatever future governments there may be.

Now here we are in the same situation. We're undertaking something for which, I have to say again, we don't know the total cost. And it's open-ended as well; there may or may not be a five-year terminal point. Unless something more decisive and conclusive is said at this particular time, it could run over and commit another government after five years. Notwithstanding that, it appears to me that we are committing another government in 1983, whether it's this government or another government.

So we're looking at a commitment here. The majority of this program, the three-year period, will be an obligation on the next government after 1983. Whether we like it or not, we will make an obligation or commitment for that next government. I'd like to say again that whereas I support this thing and think it's a good idea, on the other hand I have grave reservations about voting for something when I can't be told the total cost, when from all

appearances it seems that the minister has those total costs but will not reveal them.

[Title and preamble agreed to]

MR. SHABEN: Mr. Chairman, I move that Bill 92 be reported as amended.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of the Whole Assembly has had under consideration and reports Bill 92 with some amendments.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, I indicated to the Leader of the Opposition earlier today that the House will sit at 8 o'clock. As to future business, I will deal with that when the House rises tonight.

[The House recessed at 5:29 p.m. and resumed at 8 p.m.]

[Mr. Appleby in the Chair]

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

##### **Bill 100** **Chartered Accountants Amendment Act, 1981**

MR. HYNDMAN: Mr. Speaker, I move second reading of Bill 100, the Chartered Accountants Amendment Act, 1981.

This short Bill has one purpose: to make somewhat more rigorous what is referred to as the mandatory practice review program of the Institute of Chartered Accountants. In effect, it permits the Institute of Chartered Accountants of Alberta to ensure in every way that all its various members are conducting thorough and proper audits. The Bill in no way relates, refers to, or modifies the field of practice issue, which is another matter that is the subject of debate amongst accountants. Some further amendments will be presented in committee.

[Motion carried; Bill 100 read a second time]

#### head: **GOVERNMENT BILLS AND ORDERS** (Third Reading)

[It was moved by the members indicated that the following Bills be read a third time, and the motions were carried]

No.	Title	Moved by
70	Mental Health Amendment Act, 1981	Reid
85	Labour Relations Amendment Act, 1981	Young
89	Solicitor General Statutes Amendment Act, 1981	Harle
97	Department of Education Amendment Act, 1981 (No. 2)	King
98	Technical Institutes Amendment Act, 1981	King [for Horsman]

**PRIVATE BILLS**  
**(Third Reading)**

**Bill Pr. 2**  
**The Honourable Patrick Burns Settlements**  
**Amendment Act, 1981**

MR. OMAN: Mr. Speaker, before moving third reading, I'll have to ask for your guidance. There's an amendment to be made to Bill Pr. 2, and I'm not sure that's been made. Has it? I understand it was done then, sir.

I move third reading of Bill Pr. 2.

[Motion carried; Bill Pr. 2 read a third time]

**Bill Pr. 3**  
**The Dental Mechanics Amendment Act, 1981**

MR. HIEBERT: Mr. Speaker, on behalf of my colleague from Calgary North West, I move third reading of Bill Pr. 3, The Dental Mechanics Amendment Act, 1981.

DR. BUCK: Mr. Speaker, on a point of principle, I wish to oppose the Bill and be recorded. I take off my hat as a person who is in the profession of dentistry, and I feel that I must say what I think is in the public interest. I feel there is a certain connotation in changing from "dental mechanics" to "denturists" which may make the public feel that these people are specializing in a field, when in essence they are not. In principle, Mr. Speaker, I oppose Bill Pr. 3.

[Motion carried; Bill Pr. 3 read a third time]

[It was moved by the members indicated that the following Bills be read a third time, and the motions were carried]

No.	Title	Moved by
Pr. 13	The Calgary Foundation Act	Little [for Musgreave]
Pr. 14	The Richmond Gate Trust Company Act	Purdy
Pr. 15	The North American Commercial Trust Company Act	Pahl

**head: GOVERNMENT BILLS AND ORDERS**

**(Third Reading)**  
**(continued)**

**Bill 79**  
**Regional Municipal Services Act**

MR. MOORE: Mr. Speaker, I have spoken on third reading of this Bill and will now be closing debate. If other hon. members wish to speak, they should do so before I conclude.

Mr. Speaker, there were a couple of questions with respect to this Bill. With respect to the comments by the hon. Member for Olds-Didsbury, when he questioned whether it was our intention to include those towns involved in the water line between Red Deer and the Olds area in a regional services commission of some larger nature, I want to say that I cannot make a commitment for any long period of time that they would not be included in some larger organizational region if water lines are extended or connected with other communities. But I can say that at the present time it is our intention to form a single authority involving just those communities. For the foreseeable future at least, that would be the situation with regard to the regional delivery of water in that area. I think that substantially answers the question asked by that hon. member.

[Motion carried; Bill 79 read a third time]

**Bill 95**  
**Landlord and Tenant**  
**Amendment Act, 1981**

MR. CRAWFORD: Mr. Speaker, on behalf of the Minister of Consumer and Corporate Affairs, I would like to move third reading of Bill No. 95.

MR. NOTLEY: Mr. Speaker, in rising to participate briefly in third reading of Bill 95, I think the same objections I expressed before need to be noted again. While we are increasing the interest paid on the damage deposit, that interest is markedly below the normal market rate. As a matter of fact, it is significantly below any lending institution I know of in this province.

Mr. Speaker, the other point I think has to be made is that while one can compare the interest paid on a deposit with other provinces, it is only correct if one looks at the entire picture of landlord and tenant legislation. When one does that, it is clear that there is precious little protection for the tenant in this province.

I note that in second reading the minister took some time to talk about how much he opposed some kind of protection for tenants through legislative action on condominium conversion. When one sees the impact, especially on our senior citizens, of condominium conversion, in the two major cities, in my judgment at least it is obvious that some action is required. Similarly, if this government isn't going to move towards rent controls — I've long advocated rent controls, but I'm realistic enough to realize that that is not the majority view of this House — at the very least, there should be some move towards protection of the tenant by a major overhauling of The Landlord and Tenant Act to ensure better protection for tenants in this province. If the projected growth we anticipate as a result of the energy agreement takes place over the next five years, we are going to see a horrendous situation in our growth centres, a situation which is going

to be particularly difficult for tenants, especially those older tenants who for one reason or another aren't able to look at alternative types of programs. It's fine to say we have senior citizens' housing. We do, but we don't have enough. Hon. members of this House are well aware that there are waiting lists for almost every nursing home and senior citizens' home and, in areas of heavy concentration of population, self-contained units in the province. So many of our senior citizens have no other choice but to make do with rental accommodation where, in the absence of some kind of rent regulation, the rents are going up at a skyrocketing rate, at a level and pace which is jeopardizing the quality of life of many of our senior citizens. So while it is a step in the right direction that we've increased the interest on the deposit, no member of this House should be under any misapprehension that what we are doing today is in any way, shape, or form adequate, considering the pressures of growth, especially in our two major metropolitan areas.

MR. SINDLINGER: I'd like to make a brief remark in regard to this Bill as well, Mr. Speaker. I think it is important that the interest rate paid on security deposits be changed from 6 per cent to 12 per cent, because it reflects the reality of the market place more and the opportunity costs for the tenant depositing his security money. However, on the other hand, I'm not too sure it's a good idea to fix the interest rate, because interest rates change daily. If we have a fixed interest rate of 12 per cent, it is not difficult to foresee where we'll be back here again in the near future, next year and the year after, with an amendment to the Act to ensure that the interest rate changes again, reflecting the change in the interest rate, whether it's up or down.

I would like to see the government in the years to come — next year — give some consideration to something that would reflect the desires of the tenant. I think the major objection the tenant has in giving a security deposit is that it's the tenant's money, yet it rests in the hands of the landlord. If some consideration could be given to setting up a sort of trust deposit fund within the treasury branches whereby anyone required to put down a damage deposit simply gave it to the treasury branch, then that money in the treasury branch would earn interest for the tenant and be kept in trust for the landlord so the landlord could have first call upon that money in the event it was needed to cover any damages incurred — in that way, in effect the tenant retains title to the money and also earns the interest rate the tenant could earn under normal circumstances.

MR. GOGO: Mr. Speaker, just to comment on the comments from the hon. Member for Spirit River-Fairview. I think the minister very adequately explained the 12 per cent interest on security deposits. I would just draw to the hon. member's attention that if the rent were \$500 a month, that would be \$5 a month. If it were at 12 or 15 per cent, it would be \$6 a month. I really don't think that's very significant. I think it's a very weak argument.

The more important one is the reference of the hon. member to rent controls. Surely it's long been the policy of this government that adequate housing and housing supply, whether it be a single-family dwelling or a multiple dwelling, lies in the supply. I don't think the Member for Spirit River-Fairview could argue that. Surely the experiences in the adjacent provinces have proven that. What government anywhere in Canada has a better

record in terms of supply of housing than the Alberta government? With regard to senior citizens' housing, the member well knows that even in Calgary or Edmonton, senior citizens' self-contained housing is still at a maximum rent of 25 per cent of income.

I very strongly argue against the points raised by the Member for Spirit River-Fairview. If he could persuade his peers in Ottawa to encourage the government of Canada to pay some attention to the question of interest rates, perhaps we could get on and make it attractive for builders to supply more housing in Alberta.

MR. MILLER: Mr. Speaker, I also would like to respond to the pious Member for Spirit River-Fairview. As we see it in my constituency, the problem is the influx of senior citizens into our senior citizens' homes and nursing homes on the Alberta side of Lloydminster because of the lack of suitable occupation within the whole province of Saskatchewan. [interjections]

MR. NOTLEY: He's finally come alive.

DR. BUCK: I'm glad to see the associate minister is really looking after things for us out there in the border city.

Mr. Speaker, moving the deposit the tenant leaves with the landlord to 12 per cent is a step in the right direction. In fairness, I guess we could never reach a figure everybody would be happy with. It is a step in the right direction. I wish to make a comment or two about our so-called socialist friends in Ottawa, the Liberal government of this country. What the federal government is doing is probably going to cause the greatest shortage of housing Canada has ever seen. Anybody who has been in the market place, or anybody interested in trying to invest funds to provide housing, knows you have to have a return. For years the socialists have been trying to tell us that public housing is the answer. All you have to do is go to the great socialist experiment in England and see what kind of housing they have for their people there. Mr. Speaker, it is going to be a serious problem in this province. Because of the federal government's lack of initiative, the provincial government is going to have to quit fooling around and blaming the federal government forever. I do realize and appreciate the fact that the government of this province is doing something to provide housing for its citizens, but it is going to have to do even more.

Mr. Speaker, I'm sure the hon. Member for Spirit River-Fairview honestly knows in his heart that rent controls do not work. Rent controls do the opposite; they cause a shortage of housing. I know it's politically acceptable to be on the side of renters, but it's not politically honest. The Member for Spirit River-Fairview well knows that rent controls cause shortages. I think it's only right that the member goes back and does his homework and tells the people of this province that rent controls cause shortages, not the other way around. [interjections]

MR. LYSONS: Mr. Speaker, I'd like to say a word in regard to this Bill. It was brought on by the Member for Calgary Buffalo, who suggested that these deposits be put in treasury branches. In the first instance, a number of communities don't have treasury branches. Secondly, I doubt very much that any banking facility would care to have several or hundreds of these little accounts to keep track of. Having had some experience in this regard, where you're handling what's set up as trust funds into

which someone else can reach if there has been damage, the banking fraternity surely wouldn't want to get involved in this sort of thing. I just thought I'd set the hon. member straight in that regard.

MR. ZAOZIRNY: Mr. Speaker, I too would like to get in on the act with a brief comment in support of the legislation before the Assembly. I concur with other hon. members who have expressed the view that it is positive legislation. I think it represents an honest attempt to strike a balance, if you will, on the difficult question of interest rates. I sympathize with the good intentions of the Member for Calgary Buffalo on the suggestion he has made. I must confess some concern that it might be more difficult to administer than one might imagine.

Mr. Speaker, the reason I'm on my feet is to express some measure of disappointment, if you will, that among these amendments to The Landlord and Tenant Act are not included some substantive amendments which would specifically deal with the circumstance of the mobile-home owner, seeing as we don't have in this province any specific legislation dealing with mobile-home owners. In part as a result of some questions in the Assembly and answers given by the Minister of Consumer and Corporate Affairs a few weeks ago, I have received a number of calls from mobile-home owners in different parts of this province who have expressed some real fears, given the very difficult situation they're faced with. There is one situation in the northern part of the province where mobile-home owners are receiving notices to vacate.

Without dwelling too much on this matter, Mr. Speaker, I think it's important to point out to all hon. members that the circumstance of the mobile-home owner is very perilous. While they own the mobile home in which they reside, they merely rent the pad upon which the mobile home is located. Because we don't have any special legislation dealing with their circumstances, the existing provisions of The Landlord and Tenant Act apply. This means that the owner of a mobile-home park can give a tenant a mere three months' notice of either a rental increase of any size or a notice to vacate. I think we very much need in this province legislation which would give some reasonable protection to mobile-home owners that would first of all recognize that their circumstances are different from those of the ordinary apartment dweller or other tenant; that would provide for a more extended period, if you will, for notice of rent increase that will give them an initial period of security of tenure — a minimum of 12 months' occupancy of that pad before any notice to vacate or notice to increase rent could be given — and that that period of notice be beyond what is provided for in the traditional tenant circumstance; and that would prohibit the mobile-park owner from forcing mobile-home owners to sell their units through the park operator, for which a substantial commission is charged for services which may or may not have been rendered.

Mr. Speaker, while I strongly support the amendment before the House, I urge the minister and the government to bring forward in the very near future either substantive amendments to The Landlord and Tenant Act or a specific piece of legislation to give mobile-home owners in Alberta some fair protection under the law.

[Motion carried; Bill 95 read a third time]

**Bill 96  
Cancer Treatment and Prevention  
Amendment Act, 1981**

MR. CRAWFORD: Mr. Speaker, on behalf of the hon. Member for Calgary North West, I move third reading of Bill No. 96.

[Motion carried; Bill 96 read a third time]

head: **COMMITTEE OF SUPPLY**

[Mr. Purdy in the Chair]

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

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

MR. DEPUTY CHAIRMAN: Before we continue, I guess it was last Monday when we were involved with a point of order on a number of questions in committee, and we had to rise and report at that time. As chairman, I've done some studying on the situation. I would just like to share it with members of the committee before we resume.

The point of order was raised by the Hon. Leader of the Opposition. At that time, after a long ensuing discussion regarding the relevancy of questions asked about the Alberta children's hospital in southern Alberta, a point of order was raised by the Leader of the Opposition regarding Assembly rule No. 47. I quote the Leader of the Opposition. Under the rules of the House, it "certainly doesn't set out any terms of reference as to what the discussion should be". Then I drew the leader's attention to Standing Order 52(1), which is as follows:

The standing orders of the Assembly shall be observed in the committees of the Assembly so far as may be applicable, except as to limiting the number of times of speaking.

Subsection 2 states:

Speeches in committees of the whole Assembly must be strictly relevant to the item or clause under consideration.

Members of the Committee then indicated there had been a lot of latitude and scope on previous debates in the Assembly. I must agree with hon. members that this is so. In reviewing *Hansards* of previous years, from 1976, a number of ministers have given very extensive overviews of what took place; therefore, it did allow members of the committee to question the ministers regarding their statements. When these discussions were taking place, the rules of the Assembly were being abused. During this year's estimates of the Heritage Savings Trust Fund, both the chairman of committees and I have tried to bring members back to the subject under discussion.

In a ruling last Monday, I made the statement: last year's estimates are not generally discussed in Committee of Supply. In reviewing *Hansard*, the Committee of Supply over a number of years, it has always been the practice that general questions are asked under the general administration appropriation of the minister's office, and it has been a far-ranging debate allowing members of the committee to ask questions of the minister regarding

previous years and what we could see in the future. After that appropriation has been passed, members have generally kept their remarks strictly relevant to the discussion being held. There have been a few cases where members have compared one estimate against another estimate, but in general they were trying to reconcile a higher percentage in this comparable year with last year's estimates.

I refer to the remarks of the hon. Member for Calgary Buffalo on November 23. He asked two basic questions: What is the money for, and what has it been used for? I refer members to Standing Order 22(f) of our *Standing Orders*:

A member will be called to order by Mr. Speaker if that member ... reflects upon any previous vote of the Assembly unless it is that member's intention to move that it be rescinded;

The basic question is: should we allow members of the committee to ask questions on what the money has been used for? The argument was made last Monday that the members of the committee have two vehicles in which they can pursue spending: one, the public accounts committee; and secondly, the Heritage Savings Trust Fund select committee. In view of the fact that a lot of scope and latitude has been allowed in previous years in this particular Committee of Supply for the Alberta Heritage Savings Trust fund capital division, the Chair respectfully submits that the debate should continue.

The Chair would also respectfully request that sincerest consideration be given by members of the committee to amending *Standing Orders* of the Assembly so that 47 would have some further subsections in it, thus giving the Chair and members of the Assembly some further guidance on this very important issue. I also request greater co-operation of members in following the rules of the Assembly.

#### Executive Council

##### *Workers' Health, Safety and Compensation*

#### 1 — Occupational Health and Safety Research and Education

MR. DEPUTY CHAIRMAN: Has the minister any comments?

MR. DIACHUK: Thank you, Mr. Chairman. I guess I have the privilege of bringing for the first time this year a new appropriation, because we are only in our second year of this program approved some year and a half ago in a resolution the hon. Member for Calgary North West, Mrs. Embury, moved and received good support for in this Assembly.

In order to implement this program over the past year — and I must reflect on the past year to be able to direct my remarks to the appropriation — an interdepartmental grants steering committee was entertained and support from other departments was received to the extent that on this interdepartmental steering committee are representatives from the departments of Environment, Advanced Education and Manpower, Social Services and Community Health, Labour, Personnel Administration, the Workers' Compensation Board, and three members from the occupational health and safety division.

These representatives have before them all the applications and inquiries for funding through this appropriation, and there are close to 40 applications. They are dealing with them presently because the submission deadline for the current year was July 1, 1981. The number of inquiries pertaining to the program increased considera-

bly as the months went on because of the interest and the greater publicity given. In addition to developing guidelines, administrative procedures, and application formats, new grant regulations have been approved which are specific to the Workers' Health, Safety and Compensation portfolio.

Although a number of meetings have been held between the grant administrator and industry, university, and government officials to explain the program in some detail, during the remainder of this fiscal year efforts will be directed towards further publicizing the grant program to various target groups, using brochures and other media presentations.

Mr. Chairman, the appropriation before us will give us the second year of operation. What we have experienced in this year we will be able to do that much better in the future year. I have to say that at the present time, only 25 per cent — not even a quarter — of the current \$1 million has been approved. The steering committee is fairly strict on the review of the application to fulfil the requirements outlined to provide funds for research, training, and education, with the objective of preventing accident and ill-health resulting from employment and promoting the health and well-being of Alberta workers through improved working conditions. With that in mind, the steering committee then brings forward to my office, to me, a recommendation which receives its final signature before the grant is approved.

MR. NOTLEY: Mr. Chairman, I certainly support the appropriation we have before the Committee of Supply today. I'd like to make several general observations and then, no doubt, ask some specific questions.

First of all, in terms of the investment and the principle of whether we should be making an investment from the heritage trust fund in occupational health and safety research and education: I suppose one could argue at the outset that this is not the kind of investment that would be appropriate for the heritage trust fund. We do have an occupational health and safety division. We have a Workers' Compensation Board. One could argue that the ongoing process of research and education could be handled by the general operations of either government or the board. Certainly, the board has done some excellent work in that area. I'm fairly familiar with some of the work the board has done in particular, as well as the work done by the occupational health and safety division.

Notwithstanding the arguments that can be raised with respect to, is a heritage trust fund investment necessary, one can even come to the conclusion, reviewing those arguments carefully, that the question of proper safeguards for occupational health and safety in this province is sufficiently important that it does merit the extra investment possible as a result of money from the Heritage Savings Trust Fund.

Mr. Chairman, I'd like to deal with several areas where I think some considerable attention should be given. I know that we've had a study on the problems in the oil well drilling industry. Some changes have been made. But I say to the minister and to the members of the committee that in my view people working on drilling rigs is one of the areas where we have to insist that the highest possible safety standards be followed. That means that where a research capacity is required to find better ways of doing things, we should in fact be willing to undertake that research.

I can't help but recall, and I think other members of the committee that went to Europe will recall — we never



quite took the trip in Great Britain, but we were going to go to the North Sea and observe the procedures used in the North Sea. One of the things that struck me as interesting was the fact that workers were required to be trained before they went out on the rigs. Mr. Chairman, this is an important matter for us in Alberta, because there are just too many accidents on drilling rigs. The situation that occurs month after month after month, where young Albertans are killed, maimed, or seriously injured on drilling rigs, isn't good enough.

Now I realize that some tightening-up has taken place and some improvement has occurred since the matter was last formally discussed in the House. But in my judgment, we still have far too many accidents. It's the kind of situation where, with the slowdown in the industry as a result of — name whatever your bad medicine is — the federal energy package of a year ago or the cutback in oil production, or both, which is probably more accurate . . . But that is not the minister's responsibility. We'll deal with that at the proper time and place, when the Minister of Energy and Natural Resources is before the House. The minister's responsibility is that we have the best possible standards in place, so that when young men are on those drilling rigs we don't find week after week, month after month, cases of serious injury which could be avoided.

I'd like to ask the minister specifically whether any of this \$1 million that will be allocated for the forthcoming year, or any of the \$1 million — well, actually, I guess the \$1 million hasn't, because the minister tells us only 25 per cent of it has been taken up. But I'd like to ask the minister specifically what discussions have taken place with the oil well drilling contractors with respect to some of this money being channelled to studying ways and means that would reduce the number of accidents.

The minister knows that my riding borders B.C. I don't pretend to be an expert on it, but in cursory glance at least, there seems to be a much more stringent regulation of drilling rigs in the province of British Columbia. So I'm told by my constituents who work on both sides of the border and tell me that in B.C. there is a much more stringent regulation of the drilling industry. I'm sure, Mr. Chairman, that that's the kind of thing we have to explore properly, without any sense of embarrassment, in this committee. At stake are the lives and health of young men — largely young men — in the drilling industry in the province of Alberta.

Mr. Chairman, I'd like to move from there to ask the minister what discussions he has had with his steering committee on the question of industrial health, the preventive kind of action that should be taken. To show members of the committee how non-partisan I can be, there was an excellent example the other day on television. The CBC carried a story quite critical of the regulations of the government of Saskatchewan, with respect to a large arts centre in Saskatoon — their equivalent of the Jubilee Auditorium, I believe. It was built with asbestos. There is at least some evidence to indicate that people who were working there are now in trouble. At least one who was interviewed has cancer, which he attributes to the asbestos.

Well, I don't know whether that's true or not. But the minister well knows, and we all know, that there are industrial health hazards in the work place which are not easy to identify. It's not the same as having a finger, a hand, an arm, or a leg cut off. The whole question of industrial health is so fundamentally important, it seems to me, Mr. Chairman, that if we're going to be serious

about this business of investment in the area of occupational health and safety research, I think we have to underscore the health.

I recall raising in the Legislature three or four years ago concerns about the petrochemical industry in the United States, where there was considerable evidence of lack of commitment to industrial health and, as a consequence, a higher incidence of cancer among people who work in certain areas where there is a heavier concentration of the petrochemical industry than in other areas. I say to the minister that I think it would be useful tonight, and on whatever other days this particular discussion carries on, if we take some time to assess what the steering committee is doing in the area of occupational health. For example, what discussions have occurred with the chemical workers' union, with industry, and as a result of assessing the experience of other jurisdictions in the world?

Setting aside all partisan differences, I think members of the workers' compensation committee would say that one of the things that really impressed us in the Federal Republic of Germany, in Sweden, and even in Great Britain where, God knows, they have a lot of problems, was the emphasis placed on occupational health, on the health of people in the work place, not just the accidents. We tend to be so accident orientated in our system. We've got to shift. The unanimous recommendation of our committee a year and a half ago was that we've got to get away from this business of dealing with accidents and look at the long-term question of prevention orientated programs.

Mr. Chairman, of the \$250,000 allocated, I'd like the minister to outline specifically what those projects were, and to advise the committee tonight, in whatever detail is required, what discussions have occurred on the issue of occupational health, what comparisons have been made with other jurisdictions, what requests for pilot projects have come in and, in terms of allocating funds, to what extent the committee is going to underline the importance of occupational health.

Mr. Chairman, I want to deal with one other area, and would like to make a suggestion to the minister. That is this whole business of what is happening on the farms in rural Alberta. I know that is a very tricky situation, especially for a government three or four months, or a year and a half, before an election — who knows? But in my view we have to address what is occurring on the farms in rural Alberta.

I recognize the announcement the minister made last April or May; I don't recall the date. But I think we should have a report on where things stand on this question of making compensation applicable first of all to the farm help, so that they're covered, and then to the farmers, and to what extent there's been any commitment to fund programs or research into this matter so there can be adequate discussion with the farm community. I recall our committee suggesting that by the end of the year we would have formal responses from all the farm organizations as to where they stand on this matter. I would be interested to know whether we've received formal responses. I would be interested to know whether, as a consequence of those formal responses, we're going to commission any of this money for research in the area of accident prevention on the farm and compensation coverage on the farm.

I know it's a tough proposition to handle. I'm well aware of that. But in discussions I've had with farm groups all over the province, when you begin to state the

case and point out to people, especially those who hire others, that 10 years ago there really wasn't much value suing anybody because the value of the land was relatively marginal and most of the money was owed to farm credit — the net value of a farmer wasn't really all that great — today the farmer may still be cash poor, but when you look at the value of land today he is eminently suable, and the sort of trade-off of not having compensation but being suable now makes farmers much more tempting targets than they ever were a few years ago, especially for the legal profession. I think the case can be made. I remember talking about this subject quite bluntly as a member of the committee at a meeting in Thorhild with the Christian Farmers Federation about a year ago, putting the situation to them and pointing out that whereas a decade ago it really wouldn't have made any difference if you hired somebody, he wouldn't sue you anyway because you haven't got any money — in most cases, there wasn't a net worth — with farmland valued at what it is now right around the province, even in some of the more distant areas of the province, that situation has changed markedly. Mr. Minister, we're just going to have to make the case more persuasively than we have. I know it's difficult to do so, and I realize that your department has taken some preliminary action; an announcement was even made in the House. But I say to you that . . .

MR. DEPUTY CHAIRMAN: I wonder if the hon. Member for Spirit River-Fairview would come back to the parliamentary rule.

MR. NOTLEY: Mr. Chairman, I say to the minister that the issue is sufficiently important that it be underlined.

Mr. Chairman, I have a number of specific questions dealing with it, but in general summary I would invite the minister first of all to outline to the committee a specific breakdown of the \$250,000 that has been allocated. What projects have been funded this year? Secondly, I would like the minister to advise the committee in some detail whether it is the intention of the government to use any of this money for further research into the area of accidents on our drilling rigs. Thirdly, I ask the minister to address in equal detail the question of occupational health in terms of those kinds of unseen emissions of substances which deteriorate the quality of a person's health over a time frame where they work in a given industry. Finally, I would welcome an explanation from the minister as to whether any of this money is going to be allocated either for public relations or for further research into efforts to cut down the number of accidents that take place in rural Alberta and are not presently covered by workers' compensation.

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Is the minister ready to respond?

DR. PAPROSKI: Mr. Chairman, I'd like to make a few comments. First, I'd like to compliment the vote that, with increased activity in coal mining and in all industrial areas, I think is so very, very vital in our province at this time. I think members realize that it's really important and necessary that we provide not only research but training, and educate safety personnel to be ready for these employees to ensure their well-being well in advance of the new and expanded activity, especially in surface and deep coal mining and, for that matter, in all industry. We

know research is very important and should be ongoing, and in order to do this there has to be lead time. I'm pleased that this particular vote of the Heritage Savings Trust Fund allows that increased activity for health and safety in the broad area of industry, always keeping in mind that this will minimize occupational hazards and illness, injury, and death at the work site.

In summary, I hope the minister will continue the activity expressed in this vote for research training and education for occupational health and safety. As a matter of fact, I hope he accelerates it. Mr. Chairman, we're very fortunate to have this particular vote. I hope that in future years the vote is not decreased in amount but in fact increased. I'm sure the amount of activity in this province will be accelerated to that point.

Finally, no matter what is done, I hope the minister and the department that deals with this will continue an ongoing evaluation and surveillance of training and research; not do it once, set the direction, and forget about it because quantitatively it might be enough. Quality is important. Ongoing training and research must be evaluated on an ongoing basis. During this evaluation, Mr. Chairman, I hope the minister will not only utilize the knowledge in Europe. There is a tendency over the past few years to always flip over to Sweden, England, and Germany, as if nothing were happening in Canada and the United States. I represented the minister at an international symposium on occupational health, safety, and mining, and there was a lot of very important knowledge from not only Canada but the United States. I'm not saying we shouldn't utilize the information from Europe, but there is a lot of very valuable information right on this continent. I hope the minister will explore models of training present in Canada. Coal mining, even as close as British Columbia, shouldn't be ignored. The pasture always looks greener on the other side, and that's really true. Because something in Europe is so distant, we can exaggerate that it must be better, but that's not necessarily so, although we should look at that too, of course.

The final thing I would like to say is that the employee and the employer must be involved jointly in any safety measure. Regulations alone will not do it. The message is quite clear that any effort for health and safety at the job site must be an employee/employer type of relationship on an ongoing basis. Those are my few comments, Mr. Chairman.

MR. DIACHUK: Mr. Chairman, I welcome the comments of the two members. In the past, I know that both of them have shared in being members of the select committee reviewing worker compensation legislation. Therefore both of them have a keen interest and have participated and contributed to the development of what we presently have in Alberta in occupational health and safety, in legislation and in workers' compensation.

In response to the hon. Member for Spirit River-Fairview, may I recap as follows, Mr. Chairman. When I said about a quarter of the appropriation was now committed, I used the quarter that was allocated in 1981-82; a quarter of \$839,000, not a quarter of a million. The total committed is about \$209,000. For the benefit — and it is reassuring — the benefit is to work in industry and a good interest of this has been toward the farm scene.

We have been reluctant to use employers' funds to review farm accidents, because the bulk of the workers' compensation assessments are paid by other than the farm sector. As a result, we have two good programs this

year, and they go as follows: an inventory of people and specialists involved in occupational hygiene activities; a grant for \$12,000 was approved on June 8.

MR. NOTLEY: Slow down a bit so we can take it down.

MR. DIACHUK: Inventory of people and specialists involved in occupational hygiene activities in Alberta. Basically the submission was made that we wanted to know whether we presently have the work force in this province and how many we have, in order to determine the amount we can do with the present work force in hygiene and in safety.

The second grant approved was an exploratory survey of factors influencing farm accidents in Alberta. That was submitted in two phases. This was the first phase. That was approved at an amount of \$8,422 to Dr. Harrell. I understand his interest as a university man has been to take a look at this. The second phase of his submission was approved on September 22 in the amount of \$37,862. These two surveys, I believe, and the committee felt quite strongly, will respond to what the hon. Member for Spirit River-Fairview was concerned about: what is happening on the farm accident scene in rural Alberta? I don't want to highlight this as rural Alberta because under this government rural Alberta is changing. There's a lot of diversification and decentralization taking place. But I believe the hon. member was really asking about farm accidents, which we wrestled with. I'm quite hopeful that these two, to a tune of \$45,000, will give us a beginning in taking a good look at the farm accidents that have occurred.

I will just review the rest of the grant applications approved in order for members to appreciate their extent. A development of an occupational hygiene technologists program at the Mount Royal College in Calgary for the benefit of providing training for health technologists. My good colleague from Calgary, Mr. Anderson, represented me at the function when they announced their program. As we are aware, Mount Royal has been involved in occupational health and safety pilot projects. This is the beginning of one of the positive programs in developing a hygiene technologists program: \$60,000 for the year 1981-82.

There was a World Health Organization conference in the Netherlands on occupational hazards in hospitals. A small grant of \$2,774 to cover and bring back the material was provided to a lady who was highly recommended. Her material is being reviewed; her input is being provided. This is basically on occupational hazards with regard to people working in hospitals.

Because of interest from the county of St. Paul, a different program was the student safety education program, involving the county, the administration, and all the staff. This grant was to see whether our awareness of safety in the school classroom is really paying off. That is \$10,400 for the current year. We've had some good teaching personnel interested in this program. As a matter of fact, they came forward. I hope we will be able to direct some of the educational program that all members of this Assembly look toward, to somehow start teaching the young ones about safety — that safety pays.

A small grant of \$1,000 was provided for underground position location using low frequency magnetic directors or locators. It was felt this should be used in tunnelling in the two cities, not necessarily only in mining. The grant was provided for equipment that is being tested.

I'm aware that some members of this Assembly have

seen, as often we try different approaches — a very interesting proposal to do a play on the the rigs, called "Rig", was carried out. It has been presented in Calgary, in several locations in rural Alberta, and has now finished its run here in Edmonton at Theatre Network. This was at a cost of \$25,300.

The last one I will read off is the occupational health nursing program, off-campus, in Calgary. It's part of the Grant MacEwan Community College program being taught away from Grant MacEwan. The amount is \$51,800. These all should add up to \$209,000, allocated from the present appropriation, 1981-82, and gives us an idea of the kind of interest there.

In response to further questions from the hon. Member for Spirit River-Fairview, what discussions have taken place with the CAODC for channelling moneys for training — yes, continuous discussions as the result of the Sage report. I'm quite interested and pleased with the response CAODC is giving. I share the concern the hon. member has raised. This has come out in the Sage report. It was even part of the message of the play "Rig" — the greenhands, as they refer to the ones most commonly seen in an accident. Training and education is important. I can only say that presently CAODC has not asked for funds. They are interested in getting the co-operation of government in the programs they have. We are involved in reviewing their programs. To date, to the best of my knowledge, there has been no application from CAODC or any of its members.

With regard to the discussions with the steering committee on industrial health, I gather that is really the different committees that are working under my portfolio, such as working with the CAODC or with the Alberta Construction Association. These are ongoing and the Alberta Construction Association is presently in its final stages of drafting their response to me and my officials on the Wynn task force on safety in construction. We have ongoing discussions with them to try to implement all the recommendations. I hopefully said publicly that I would wish that all recommendations are implemented, and see that they should all be implemented, but the staging is one thing we have to work out with the Construction Association.

I would like to add only that any public relations and research on the farm will await the survey. We have received numerous responses to the questionnaire that was mailed out. My officials and the staff of the Workers' Compensation Board are in the final stages of reviewing that material, compiling it. Sometime in the new year I hope to be able to review it myself. I have to add that in most cases, with one exception I believe, the continuous insistence from the agricultural organizations was: we do not want compulsory workers' compensation coverage.

Unless the hon. Member for Spirit River-Fairview would like to introduce a motion one of these times for discussion — I would welcome discussion in this Assembly that we make it compulsory — I believe he would find the agricultural community is not prepared. Yes, they use an argument that the cost is higher in this province than other places. But if the coverage of workers' compensation is to be self-supporting, it's got to be funded from the agricultural community and not from other communities. They don't want subsidy either. We know the farmer doesn't want subsidy. He just wants to have his own opportunity to be able to have a satisfactory program. [interjections]

I appreciate the press release. But I also watched the news, and there were some farmers from some of the

rural constituencies who already voiced their displeasure that the government was forcing a subsidy on the cattle industry in this province. You can't win.

MR. NOTLEY: They'll turn it down.

MR. DIACHUK: I imagine they won't turn it down. I'm sure they'll cash the cheques and so forth. But being a farm boy myself, I appreciated when one of our former colleagues defined a farmer: a man out standing in the field. I guess that's what we have to respect. But the agricultural community has answered. An interesting review was carried out by one of the sectors, the Western Stock Growers, who have admitted that the private insurance coverage they have does not answer safety, does not provide any education program, and doesn't even provide as good coverage.

It may be the task in the next year, maybe two years, that we will have to take a serious look at particularly the employees in the agricultural community. The hon. Member for Spirit River-Fairview shared the experience at the Calmar meeting. I've shared some of those, and I appreciate that the process of sending out the position paper to the 4-H Club communities, to all the different associations, has got them talking and interested in safety. I sincerely hope those two projects will give us a beginning. We have had some good co-operation with the Minister of Agriculture with regard to our 4-H program and involving both my officials and the Hon. Dallas Schmidt's people with regard to safety in the farm. So there is work being carried on, but it's not as sudden and quick as bringing in an amendment to the existing Workers' Compensation Act now and providing for an increased ceiling and others we have done.

I want to say that the hon. Member for Edmonton Kingsway, who has stepped out now, shared very well that we have to evaluate the knowledge we have in North America. I was pleased with his comments because there is a lot of knowledge in North America. That is why we chose to have somebody attend that international symposium. He represented me and will be bringing back some information. But at the same time, representatives of management of the mining owners, representatives of the unions, and some staff members attended that symposium.

It is hoped that we could direct ourselves into some training, because if the hon. Member for Spirit River-Fairview shares that the training in the oil field is inadequate, other than the United Kingdom, we don't have any place to receive trained miners from. There aren't any good training programs, even in the rest of Canada. This is an area where I concur with the hon. Member for Edmonton Kingsway. Training for the mining industry, as we all hear, will be very necessary because of the fact that we are advised there could be four, five, half a dozen, and more mines opened in the next half dozen years as the non-renewable resources go up in price and coal becomes more valuable. There's a lot of interest, and we are advised that we will need this manpower. I am sincerely hopeful that there will be some training.

I'm aware that a good proposal from McIntyre Mines is before us now. I know the hon. Member for Edson is familiar with it. As soon as we can get out of this session, I hope to be able to direct some attention to that proposal to bring about some training program in this province.

DR. BUCK: Mr. Chairman, I'd like to say a word or two to the hon. minister. Just in case we have a tendency to stray, we're really talking about voting \$1 million:

To provide funds for research, training and education with the objective of preventing accidents and ill health resulting from employment and promoting the health and well-being of Albertan workers through improved working conditions.

Mr. Chairman, to the minister, I'm sure we all could stand in our place in this committee and tell some horror stories of things that happen in the oil patch. Somebody could tell a story about what happens on some of the large and small farms. Somebody else could tell us about some things that happen in mining, and on and on. But that would be redundant, so we really don't want to do that. But I wish to indicate to the minister that several young men who are now students of mine at the university, and who have worked in the oil patch in Alberta, Saskatchewan, and British Columbia, have brought to my attention that the safety standards and enforcement of safety standards were lower in Alberta than in the other provinces. I don't know if that's fair or unfair, but I would certainly like the minister to indicate to the committee if that statement is true.

I remember working in the oil patch as a university student. We were doing seismic work at 999 feet. Looking at the crew I was on, four of the five members had missing fingers. I thought, that's the last place an aspiring dentist wants to work. When you're making a trip and the old cable snaps taut, you can play a tune on it. That's the last job an aspiring dental student wants to have. The people working on the rigs seem to think, well, that's one hazard of the occupation. But we know it shouldn't be, and we don't want it to be a hazard of the occupation.

One area I'd like the minister to explore — and maybe the minister has the information for me in research and in discussions with people working in the oil patch — is when some of our people in Alberta are working in the high arctic where you're two weeks on and a week off the job. We well know that the young men especially who work under these conditions after a week off for supposed rest and recovery come back in worse shape than when they left.

MRS. CRIPPS: Why is that?

DR. BUCK: I guess you could say, wine, women, and song. They've got all this money to spend.

I would like to ask the minister, and have the minister find out from the industry, if there's any merit in looking at some type of program where young men who come back to work ... Because I know industry does this. When some of the executives of a plant in my constituency go to Germany, for example, and they're going to have an executive meeting, this company will not permit those executives to do any major negotiations or discussions for 24 or 36 hours after they get off the airplane to get rid of jet lag. The same kind of thing could be applied to young workers when they come off the airplane, say, in the high arctic: the other crew does not leave until 24 hours or some period has elapsed, so these young men can acclimatize themselves, for want of any other term which may belittle some of the men working in the oil patch. It's a suggestion. I would like to know if the minister or the industry has given it any consideration. I know this will cost money, but we all know that after a week's holiday some of these workers come back in worse physical shape than when they left the job after they'd

been working on it for two weeks. I guess it's one of the hazards of the trade. But when you're tired and working long hours in an occupation that is hazardous, I think there could be some merit in having a 24-hour rest period after these young men come back and before they go to work.

Mr. Chairman, an area that concerns me is the safety of the chemical worker, because Fort Saskatchewan is the chemical centre of the province and is in my constituency. I know the majority of the people who work in the industries. I know that industry is just as concerned as the worker. I know the minister's department is concerned about chemical hazards in the work place. I think it's incumbent upon us to work as a combined team: government, unions, and management. If there's anything I learned in my trip to Germany it was that we had better learn in North America, and in Canada especially, that we can accomplish much more co-operating than in an adversary situation, not only in negotiating wages but in negotiating working conditions in a common front to provide a safe working place for our workers. Not only do the workers benefit; management and the whole country benefits. I think we have to look at this tripartite type of co-operation to make sure it is a safe working place, safe for the people and the community.

I'd like to say to the Minister of Environment that we're pleased that the environment is being monitored independently in the town of Fort Saskatchewan, so that the worker's safety and the community's health is being looked after, or at least is being monitored.

Mr. Chairman, when we're looking at the research, another thing is the philosophy we have in North America, which seems to be: after you've lost a hand, an arm, or a leg, then we will do something for you. I think European nations are much ahead of us in looking at the preventive aspect. I think that was unanimous by members of the committee. Let us change our philosophy. An ounce of prevention is worth the proverbial pound of cure. It saves us money as taxpayers. It saves lives. It saves fingers, arms, and bodies. When we're going to be voting over \$1 million in funding, let us concentrate on the preventive aspect. I know the minister is well aware. That applies not only to accident prevention. It applies to most things. Prevention is less expensive than the cure.

I was quite appalled when workers lost their lives in the sewer excavation here in the city when we had the large rain. I don't think that should have happened. I'm sure the minister was just as concerned as anybody on the committee or in the province. Let us make sure we learn. It is unfortunate we have to learn after people lose their lives. Safety procedures should have been in place. We are now finding after the investigation that it shouldn't have happened, but it did happen.

With those brief comments, I'd like to say to the minister that I compliment him. I know he's genuine in his concerns. He is trying hard, but trying hard is just not good enough. I say to the minister, let's try even harder because we're bringing many workers into this province. We're bringing many young people into the work force, who are making more money than they ever thought they could. But that will never compensate for the loss of a limb or the loss of life. I think the time is ripe. We are looking at voting \$1 million for safety research and education. Let's make sure there's safety in the work place, let's make sure the legislation is in place, and let's make sure the research is there.

With those few remarks, Mr. Chairman, I look forward to the study of the estimates.

[Mr. Appleby in the Chair]

MR. SINDLINGER: Mr. Chairman, I'd like to put several questions to the minister, but I'll just start with one general question in regard to the criteria used in two instances: one, the criteria used to select the projects for which the funds will be appropriated; and secondly, the criteria used in determining whether or not funds for research in this area will come from either the heritage fund or the general budget.

I ask that question because I'm looking at the estimates of expenditure, 1981-82. Under Executive Council, for Workers' Health, Safety and Compensation there's an item called research and education. That is the same as that which we have before us today: occupational health and safety research and education. It seems we have similar programs, one being funded by the general budget appropriations and the other being funded through the Heritage Savings Trust Fund. In the three years I've been at the Heritage Savings Trust Fund committee meetings, this question in regard to how a project is selected for funding through either the heritage fund or the annual budget has arisen quite often. The one most often cited was irrigation. The same project was funded in part by the heritage fund and in part by the annual budget. It seems that we have the same situation here, where we have research and education partly funded by the heritage fund and partly funded by the annual budget. So the question I put to the minister is: how is it decided which of these are funded by the heritage fund and which aren't?

Now, it's my understanding that last year was the first year of this research program. The minister indicated that nine projects were funded under last year's appropriations or estimates. Perhaps it would be helpful if the minister could indicate to us the research and education projects undertaken through the annual budget, compared to this. What was the nature of the research and education programs undertaken through the budget, compared to those undertaken by the heritage fund? Perhaps if we knew what they were, we could draw a distinction between the two and thereby be able to determine the criteria used to select between heritage fund projects and annual budgets.

I also note that the '80-81 estimates for research and education were \$2,257,558, which is considerably more than just \$1 million, what we're being asked for through the heritage fund. But in both cases, it doesn't look like the entire appropriation was used; a considerable amount was [allowed to] lapse. In this case, for 1981-82, \$209,000 was used, less than 25 per cent. In the annual budget, about \$210,000 was [allowed to] lapse as well, which is 21 per cent of the estimate we're asking for here.

Before asking specific questions, I'll put those two questions to the minister, if I could. One is: what are the criteria used to determine whether funds should come from the annual budgetary estimates? And what are the criteria used to determine what funds will come from the Heritage Savings Trust Fund?

MR. DIACHUK: Mr. Chairman, if I may first address my remarks to the comments of the hon. Member for Clover Bar, I welcome his support, interest, and concern with regard to safety. Many members of this Assembly from time to time have found themselves working in some sector of industry presently covered by The Workers' Compensation Act. At the time he worked, possibly we didn't have an Occupational Health and Safety Act, and therefore he worked without that protection. This is

as a result of the Gale commission and the development of the need for more than just depending on the accident prevention section of The Workers' Compensation Act, because it was proven ineffective.

I share the area the hon. member has asked about with regard to the high arctic. I stand to be corrected — and if I am, I'll come back and indicate — but my understanding is that that is not under the authority of Alberta occupational health and safety.

DR. BUCK: They're Albertans.

MR. DIACHUK: I appreciate that, but with regard to safety they are covered under the federal Department of Labour. The only thing I would concur with is that the same situation takes place within the Alberta boundaries, where they are working two weeks on and a week off. The hon. member used the example of the young man, but we all know that married men will also spend a week out on the tractor on the farm, work long hours, then ride back in the back of a plane or whatever mode of transportation is provided for him to work on a rig in northern Alberta. So he also comes back tired. This is a challenge CAODC is trying to meet, making sure workers come back. Where they are able to bring them in with their own transportation, in most cases they have some time to rest up before going on the shift, because that's the way the shifts change. But when they come in with their own vehicles, the foremen or toolpush, as he's known under the old cliché, welcomes them back and puts them right on the rig without any rest. It is a dangerous thing, but we hope that through the education program that won't happen.

Mr. Chairman, I enjoyed the comments of the hon. Member for Clover Bar about the philosophy in Europe. I don't know how far he went in Europe, but I'm told that in some of the eastern European countries an ounce of prevention is where they send them to Siberia. There's no health and safety there; you're there forever. So I hope he didn't mean the program they have in that part of Europe.

AN HON. MEMBER: Lots of safety.

MR. DIACHUK: A lot of safety, as somebody here said.

The incidents that happen are the tragedy of the accident. The hon. member referred to the sewer collapse. I have to share that it's unfortunate, yet here is an example where it's a city project; it's not private enterprise. It's not done for profit-making, as employers are accused of so often. That was not a profit-making project; it was a city project. They are now required to carry out tests before they return to the work, to be able to communicate the danger more effectively. I'm sure the hon. member read many of the news items with regard to the fact that the communication wasn't there about the parallel tunnel next to it that eventually broke through, and the poor four workers drowned. I share that it's too bad we have to learn from incidents like that, but you have to sacrifice some lives before the message is there. My officials advise that there is now good co-operation and good direction with the city with regard to safety in underground work.

With regard to the comments of the hon. Member for Calgary Buffalo, I would like to reflect on the fact that even though that branch of occupational health and safety is called research and education, its purpose is to promote occupational health and safety through the development, co-ordination, and implementation of education,

research, and consultative activity. That has been there since occupational health and safety became a division of the Department of Labour and during my time of office under my portfolio. They are involved in more. When this resolution I referred to earlier was passed, it was to supplement what is not being done by the research and education branch of the division. They are presently involved in research and education in farm safety, very much in publications, in meetings.

One of the staff members, Solomon Kyeremanteng, a gentleman from Ghana, Africa, is so well known throughout Alberta, well known in the 4-H movement, speaks and is very . . . He is part of this type of organization. I am advised and can assure the members here that wherever a grant is being considered under the heritage fund appropriation, it is not to duplicate one program we have under occupational health and safety. That interdepartmental committee will assure that there is no duplication. They have assured applicants that if they are within the scope of occupational health and safety, they will not be given a grant through this program.

The figure of approximately \$209,000: as the hon. Member for Calgary Buffalo would know, our fiscal year is the end of March. Therefore I know that in the numerous applications before us, I can see more of this appropriation being committed. But if the whole \$839,000 is not used up, it's not going to be just shoved down the funnel. It will be kept for future years. I am advised that is what will happen. It will revert to the heritage fund. The whole appropriation is \$10 million over eight years, and this is the phase of the second year. It's hopeful that by about the end of March that figure of \$209,000 may double, depending on the approval of applications before the committee that they would have time to consider.

MR. NOTLEY: Now that we've had a little bit of general discussion, I'd like to take just a moment to assess the projects funded last year. Before we do that, though, there is one question I'd like to put to the minister with respect to the \$209,000 we have allocated to projects, which leaves about \$630,000 unexpended. Mr. Chairman, I would be interested: is that going to be carried forward so the \$1 million we're appropriating this year will be in addition to the \$620,000 unused last year, so that during this next calendar year, we're going to have the legislative authority to allocate up to \$1.6 million? I would welcome a clarification from the minister.

Mr. Chairman, with respect to the nine projects totalling \$209,000 which have been accepted, how many applications, as it were, came in and how many were rejected? I guess this is a follow-up to the question by the hon. Member for Calgary Buffalo. On what basis does the steering committee make the decision to accept some and not others? I could be mistaken, but in listening to the minister I got the impression that a number of applications weren't accepted for one reason or another.

Mr. Chairman, as I recall the estimates a year ago, there was some discussion about this funding being made available, not just having people do studies *per se* or even industry studies — I note the minister is talking about a projected study with McIntyre-Porcupine. I could be mistaken, but my recollection is that the minister waxed rather eloquently last year about the role of the union movement directly in possible studies under this program. Perhaps the minister might share with the committee whether any progress has been made in terms of joint projects either between industry and unions or with unions directly on projects relating to occupational health

and safety.

For example, the Canadian oil and chemical workers' union is an organization that has done some outstanding work in that field. I believe the hon. Member for Edmonton Kingsway talked about material we can gain from Canada. That's true. But the material we can gain from Canada and elsewhere on the North American continent is not just material we can obtain from the corridors of a university. Much of the work done by industry as well as unions — and I say very deliberately "as well as unions" — in this area is noteworthy, particularly the union I made reference to. Mr. Chairman, I'd like some response from the minister, specifically on that question.

I would like to move from there, if I may, to deal with several other projects the minister alluded to in the budget: the survey of factors influencing farm accidents by Dr. Harrell, an \$8,422 first phase and \$37,462 second phase, for approximately \$45,000. I'd just like to say to the minister that none of us is under any illusion that if you just simply put to farmers in this province, do you want compulsory workers' compensation, they are going to say no. I don't think that's a surprise to anyone. As we deliberated on this matter on the all-party legislative committee, there was no member who didn't recognize that we would get no for an answer if we put the question that way.

What I think was behind the whole strategy, if you like, developed by the committee, preparing a package, offering speakers to go to farm meetings, was to state the case for coverage. I think the case is strong and important not just for large farmers who have substantial net worth but even for smaller operators at this stage of the game. At today's value of land, a section farmer is still suable, and if that person who comes in to run the combine or do some short-term work for maybe just a month or so is seriously injured . . . We haven't had many suits yet, Mr. Minister, but I think the concern all committee members had was that we're going to see suits occur where farmers aren't properly covered.

The thing that has impressed me — and let me just share with you, Mr. Minister and Mr. Chairman, the experience I've had in dealing with Unifarm, the National Farmers Union, and Christian Farmers Federation locals. If you simply go in and say, do you want compulsory coverage, you will get 100 per cent saying no. But if you take the time to go through the case, if you like, for coverage, you'll be surprised, particularly among younger farmers, at how much support there is for a system of workers' compensation.

The one caveat I would express is that I'm still not convinced that the figures that have been developed — at least that we've had shared with us as a committee by the Workers' Compensation Board — on the rates for agriculture are realistic. They're based on a very small number of high-risk people already covered by compensation. It seems to me that if we spread that over a larger number of farmers, we would find those rates coming down appreciably.

Mr. Chairman, I suppose that really relates to whether in Dr. Harrell's study there is going to be any comparison of what has occurred in provinces like Manitoba and Ontario, where they have compulsory coverage — they really backed off from the concept, but they have wider coverage than we have in this province — what the actual incidence is of accidents and what the rates are. Similarly, in the province of Saskatchewan there was an incentive program to get people in. Whether or not, as we enrol larger numbers of farmers — lower risk farmers as well as

high-risk farmers — the figures that were developed initially by the compensation board are in fact reasonable and accurate. It has certainly been the submission brought to me, even after our committee report, Mr. Chairman and Mr. Minister, by Unifarm especially, that the compensation board figures are not realistic. They are based on too small a number of high-risk farmers. If we had more people enrolled, we'd have a much lower rate.

The minister is right in saying that each industry has to stand on its own. But there is a difference between that portion of the industry standing on its own, with a large number of people enrolled, using rates that come from a large number of people being in the program, as opposed to rates that are set as a consequence of a very small number of high-risk people being enrolled in the program.

[Mr. Purdy in the Chair]

Mr. Chairman, I want to go on with questions on some of the other studies. But in fairness to the minister, so we don't go over too many things — and there may be supplementary questions from other members — perhaps I'll just put together the questions I have on the agricultural survey, and we can deal with that and go on to others.

I'm not familiar with Dr. Harrell. Perhaps we might have some indication from the minister as to this particular gentleman's expertise. Was there any consultation with Unifarm in particular, as the umbrella group representing almost every farm organization, now even with the Cattle Commission, in the province, before Dr. Harrell was engaged? What is his particular type of expertise? To what extent are the farm organizations themselves part of this survey? Was there any discussion of the terms of reference of the survey with the farm organizations before Dr. Harrell was engaged?

Perhaps we could start there with respect to the general questions I raise. I'd appreciate a response on those. Then we'll get into some more detailed questions on the agricultural survey that has cost \$8,422 for the first phase and \$37,462 for the second phase. At the same time, we might get from the minister the time frame he sees for this second phase. I assume the first phase has been completed. We're now looking at the second phase. Is that going to be over a period of six months, a year, or two years? As we look at this unexpended \$600,000 plus the \$1 million we're going to be voting next year, will any of that be directed to supplementing Dr. Harrell's study?

MR. DIACHUK: Mr. Chairman, I may have misled the House. It's Dr. Harrell. He's an Associate Professor in the Department of Sociology at the University of Alberta.

Before I get into that, I want to respond to the hon. Member for Spirit River-Fairview. My understanding is that the balance of the fund — and I'm quite hopeful it won't be the balance that's there now, identified as some \$600,000, because I've indicated the committee is ongoing and will review these applications before them. By the end of March I'm hopeful that more will be appropriated. I'm only encouraging communication wherever possible. That's what I do constantly: encourage organizations and interested parties to present their submissions to the steering committee to have them considered. I hope that agricultural organizations would come forward on their own. But the balance of the funds that are not going to be used: my understanding is we'll be reverting to the heritage savings fund. It's not something that I'm advised will

be kept, and next year it'll be \$1,400,000 and more the year after that. If it's not used in this appropriation year, as the hon. Member for Calgary Buffalo pointed out always happens, it goes back into the general fund.

As to the list of rejections, I don't think it'll be a problem, because many of these applications are being considered. But possibly, I'm advised, the applicants are asked to provide more information or review their approach, and so forth. In fairness, at the end of the fiscal year I'll be able to indicate which ones and how many were rejected. I'm advised that some 30 or so applications have been submitted. I don't have the exact number before me, but I would be in a better position to provide a list of which ones were rejected at the next study of the estimates, after the steering committee has had a chance. It's public knowledge; it's not something we would not provide. Then we have to share also that some of those applications, if they don't come in within this fiscal year, will be encouraged to resubmit for next year. Therefore, if they're shown as a rejection this year, with broader scope or addressing themselves to what is needed, they would be looked at.

I share the same caveat the hon. member indicates. We've had small participation in the workers' compensation program from the high-risk agricultural sector. That is one thing we will have to continue to encourage. Part of the position paper was to encourage the value. As I indicated earlier tonight, we have some organizations in the agricultural community that realize they don't have as good a private plan as is presently provided by the Workers' Compensation Board. In some cases, they became quite surprised when they found that only a certain work force, management and owners, were covered, but not all the hired people in that particular sector of agriculture were protected by their private insurance plan.

With regard to the description, background, or kind of outline Dr. Harrell will be working under, he will conduct a survey. I will touch on some of the material before me in the file. He will conduct a survey of persons involved in farming in an effort to identify characteristics which may distinguish those who have experienced a farm accident in the past year from those who have been accident-free in the same period. The investigator, Dr. Harrell and his people, propose to recruit respondents via the workers' health, safety and compensation farm accident reporting system. As hon. members know, we have numerous — something in the vicinity of 50 — hospitals in Alberta that report all farm accidents. We're able to try to determine why those accidents happened.

So he will be reviewing the farm accident reporting system. He will be working with major farm organizations such as Unifarm. I'm not in a position to answer whether he has approached them before, because it doesn't give me that information here. But I don't think it has a bearing. Basically, the man has done some work over the past years, has an interest in this area, and the steering committee felt that he has good ability to provide an overall review.

The survey would consist of an in-depth interview concerning the respondent's farm accident history and a self-administered questionnaire containing items dealing with risks, taking everything into consideration; also, possible predictors of farm accident frequency, such as the severity and type he would be able to identify. The investigator presents a conceptual model of the causes of farm accidents, based on various social science theories which he uses to formulate hypotheses about the response to particular survey questions. As part of the final report,

the investigator plans to recommend ways the results of the survey can be incorporated into a farm safety education program. I think that's no doubt what the hon. member would like to hear. It won't be just a survey.

With regard to comparison with other provinces, from reviewing the application, I don't believe he is considering looking at comparison with other provinces. He's only considering looking at the incidents in this province from the information before him, compiled and provided from the farm accident reporting system.

MR. SINDLINGER: Mr. Chairman, before I get into this particular study, I should come back to the other point about the criteria used for selecting these projects. The minister indicated in general terms that the heritage fund would be used to supplement those things that aren't being done. But I might submit that one criticism the fund has had levelled at it is that in a lot of cases, especially in regard to the capital projects division, it is nothing more than an extension of the normal budget. Those who are less kind will say that the capital projects division is nothing more than a political slush fund. That might be going a little bit too far, but projects like this invite that kind of criticism, unless we can draw a very distinct difference between those projects that come under the normal budgetary process and those that come under the Heritage Savings Trust Fund.

Notwithstanding the explanation the minister has given us, when we look at the definition of the projects in the estimates of expenditure and compare them to the projects to which \$209,000 has already been expended, I would submit that it's very difficult for the layman to draw that distinction, to determine why these are being funded from the heritage fund as opposed to the normal budgetary process. It's much easier to do that when you look at some of the other projects — for example, the hopper cars, hospitals, and things of that nature — because they more properly fit the definition of long-term social and economic benefits. That criterion is set out in the Heritage Savings Trust Fund Act. Under this project, those funds that would be considered for funding are supposed to provide long-term social and economic benefits for the province. If you look at hopper cars, certainly you can say, yes, those provide long-term economic benefits. When you look at the hospitals you can say, yes, those provide long-term social benefits for the province.

Of course, it may be generally said that any research will provide long-term benefits, and it could be generally said that among others they provide social and economic benefits as well. But again, the distinction between these being funded from the heritage fund and those from the estimates of expenditure is not being made very well. One million dollars is a substantial amount for research, but it's not that great when you look at the annual budget of about \$6.6 billion. Relative to that total, one million really isn't large. So the question arises: why do we have to go to the heritage fund to fund something like this? The word "supplement" really bothers me; using the heritage fund to supplement what the department normally would be doing. That was the term used by the minister: that this would be used to supplement what isn't being done within the department.

I would suggest that in carrying out its responsibilities and functions, the department should be more inclined to be self-sufficient and fulfill its responsibilities and obligations through the budgetary process, rather than just dipping into the heritage fund when perhaps there are constraints on budgetary increases. I'd just like to make



that observation. Perhaps the minister might direct his attention to that in a more distinct fashion, draw the line for us, and say that rather than supplementing, this is a criterion we use to select between funding from the normal budgetary process and funding from the heritage fund.

There are several specific projects I would like to get into in detail, but first of all I'd like to direct my attention to the one brought up by the Member for Spirit River-Fairview, the one being done by Dr. Harrell. I understand it's being done in two phases. All I know about the first phase is that it cost \$8,432, and all I know about the second phase is that it cost \$37,862. I would like to determine whether there was contemplation of a second phase when the project was initiated, or did the need for a second phase become apparent only after the first phase had been implemented. Was it an afterthought, or was it planned to conduct the project in two phases?

The other point I'd like to bring up in regard to that is the relative importance of this particular project. We're talking about workers' occupational health and safety in general, but in this particular case we're directing our attention to farm accidents. The point I'm trying to get to is the relative importance of this particular research area. I'm not saying that it's unimportant because, of course, it is a very important subject area, but I'm trying to determine its relative importance to other working areas, not to say we shouldn't be working in this particular area, but in order to give us an indication of how much we should be allocating to these other areas.

I think we can do that by looking at the number of accidents we've had in these particular working areas. I have here a number of claims for workers' compensation reported in 1980, by class and nature of the industry. I have six different subject areas. Of course it doesn't contain the number of accidents on the farm because we have a problem compiling a statistical base to do that. But perhaps the minister might have some information which would give us an indication of how many accidents occur there, relative to these other categories.

The major category in 1980, the construction of houses, service stations, walk-up apartments, or any ancillary type of construction associated therewith, included 16,000 claims. The next largest category was the metal or steel manufacturing or fabricating area: 9,957. The next category is self-insured workers, and is almost the same as the previous one. The next is drilling of gas or oil wells, or servicing by means of service rigs: 6,833. The trucking industry had 6,469, and plumbing and flooring had 6,164. That's a considerable number of claims. The only point I'm trying to make is that if farming accidents, or the estimates we have of them, fall in the 10,000 range, we ought to be giving as much consideration in the allocation for occupational health, safety, research, and education funding to these other categories as well.

Essentially what I'm getting at is a ranking or prioritization of subject areas. If we're going to look at this area, certainly we ought to look at this area over here or that area over there. If this is our first major thrust — and it appears to be so — in terms of the 1981-82 estimates, the total being allocated to this project is about \$45,000 out of \$209,000. That's about 24 per cent. Out of the \$209,000 already allocated, about one-quarter of that is for accidents on the farm.

Of the nine, the other subject areas here in my estimation would be rather minor compared to that one; not minor in their importance but minor in the funds attached to them. For example, the \$1,000 allocated to

underground position treatment — I wasn't too sure what it was. I didn't quite follow the minister. The minister felt it would be beneficial in regard to tunnelling work. I know these are inflationary times. When we talk about \$1,000, it isn't a lot of money these days and can't go very far, particularly in regard to research if you want to get a qualified person. I'm sure Dr. Harrell is charging somewhere in the area of \$400 a day. You're looking at just two man-days when you talk about \$1,000. In the other areas, the conference in the Netherlands on rural health occupational hazards in hospitals, for example — I suppose that was just travelling expenses. I would submit that the other ones aren't very major. In order to assure ourselves that we would get value for money expended, we're going to have to look at greater expenditures than just those numbers.

I think I will just stop at that point now. I will have more specific questions about each of these programs as we go along. The two points I have just brought up now are that there ought to be a very clear and distinct definition between the criteria used for selecting projects for funding from the heritage fund and projects we fund from the normal budgetary process; and in regard to the exploration of the survey of factors influencing farm accidents, was a second phase contemplated when the project was undertaken or did it just become apparent after the first phase was initiated that there should have been a second phase?

MR. DIACHUK: Mr. Chairman, I can respond to the questions raised by the hon. Member for Calgary Buffalo in the following manner. With regard to the fact that laymen would have difficulty determining a difference, that is the reason we have moved to an approach of having a steering committee of people from several departments who have expertise and knowledge of their own department's involvement, to provide some outside input to review these applications. I share that I depend on this steering committee very much. I am satisfied that they review these applications carefully. Even in the question of the Dr. Harrell grant, it was basically to see that his first phase is done. They had the whole application of the two phases before them. As a matter of fact, the information before me indicates that it is two phases of four phases. The steering committee just doesn't want to approve \$200,000 without any knowledge or assurance that the first phase is done. That's one way of being accountable and making sure money isn't squandered. When the first phase is carried out, the steering committee will approve the advancement of phase two funding, and there are two more phases. I don't have the details here before me, but it shows four phases in this application. I don't have the total amount before me either. If it is not recommended that the project go further than phase two, it has no bearing in this consideration before us.

I too share that we look at all these as long-term benefits. It's no different than some of the other expenditures of funds carried out by this government. We feel confident, and I'm satisfied and assured by the discussion, that the hon. members also look at this as long-term benefit to the workers of Alberta in the research and education funding that takes place.

In the prioritizing or giving priority, Mr. Chairman, we're not out there asking different sectors that have a high accident ratio. We work with them through existing budgeting on education and research programs. If more is required and they want to do something — for example,

CAODC, the Alberta Construction Association, or even the Alberta Federation of Labour, which has an application before us. I thought I would just touch on it, because I think I may have overlooked whether consideration is being given. Yes, we take joint projects into consideration. But we also take into consideration projects that are looked at by only one sector, be it the workers' union to serve its membership. These are under review and presently being considered.

The reflection by the hon. Member for Calgary Buffalo on the statistics is definitely part of what occupational health and safety has looked at over a number of years. Any time I meet with those employers, in my office or at their industry place, I encourage them that if there is an area where they have a concern as to why they have a high accident incidence, they consider people from one of the industries or postsecondary institutions to submit an application for consideration under this project, because that will really reflect what was intended when the debate took place in this Assembly on the motion by the hon. Member for Calgary North West. I'm not directing that they go out and beat the bush and get applications from these organizations. We're doing that through the existing occupational health and safety budgeting that the hon. Member for Calgary Buffalo raised. If the interest is there, we will give it consideration under the heritage fund appropriation.

MR. SINDLINGER: Mr. Chairman, a supplementary question to the minister, please, in regard to the research project by Dr. Harrell. We have the first phase and the second phase out of the way, but from the minister's response now I understand there are third and fourth phases. I appreciate that the minister has also indicated he doesn't have the specific details of what would occur in those phases.

I think it is important, though, that the minister gives us an indication of the costs associated with phases three and four, for two reasons. One is that it will give us an indication of the total order of magnitude and relative importance being placed upon that particular subject area compared to other ones. The second reason for asking for those costs, Mr. Chairman, is on a matter of principle. It makes good sense, I think, when considering this particular project, for Members of the Legislative Assembly to know what long-term cost obligation will be incurred by voting for this particular project. It's a matter of principle put forth by the Auditor General. In making his recommendations to the Legislative Assembly in his annual report, the Auditor General said that when members vote on capital projects — and this is a capital project of the heritage fund — the information that should be provided for them, among other things, is the total estimated cost to completion, so when members vote on a project they know the total cost down the line.

The rationale behind that is simply that once a project is undertaken, it doesn't make much sense to curtail it in the second, third, or fourth year, especially if there's a large expenditure of funds. The Provincial Treasurer has responded to that recommendation and says that in general he believes it's worth while or an important part of the information that should be made available to the members as well, and has indicated that in the debate on the estimates the ministers would be able to provide that to the members.

Could the minister please indicate for us the estimated costs of phases three and four? Also, as a corollary, what is the time frame for this particular project? When could

we expect the report to be completed by Dr. Harrell, not only in total but for phases two, three, and four?

MR. DIACHUK: Mr. Chairman, I think I covered this. It's very likely that after this fiscal year the balance of the unexpended funds will revert to the fund. Phase three might be in next year's appropriation, and at that time, I think, in fairness, if it is approved and comes forward, I will be dealing with it. I have welcomed the fact that this is part of two phases of a four-phase report.

It's fine for the hon. Member for Calgary Buffalo, but I don't imagine it'd be fair to Dr. Harrell to try to pin him down to a certain budget for next year. He could be way out on a limb, underbudgeted, or many things. Therefore, the steering committee approved only the question of the phase that is before us. As I say, the two phases I've outlined to you total, I believe, \$46,284. That's what I have before me. I think those two figures would jibe with what I gave verbally.

It's not something I should have, because even the details with regard to phases three and four aren't before the steering committee. As I haven't touched on it, so often some of these applications that have not been approved yet are back for further input and review before they're finally approved. I share the eagerness of the hon. Member for Calgary Buffalo wanting to know what phases three and four were being committed to, but it's not fair to Dr. Harrell to be able to ask him to have all that before him. There may not be a requirement, or the steering committee and my officials may say, we've got no need to go into phases three and four. But in his plan, he's outlined four phases to his application for this project.

MR. SINDLINGER: A comment there, please, Mr. Chairman. From time to time I've seen where studies have been commissioned and the report that has come back has said that the conclusion of the study has been, we need another study. Those things do happen. I've seen them happen from time to time.

I'm sorry, but when the minister talks about phases three and four, it naturally begs the question: what are phases three and four and how much will they cost? I can understand that perhaps phases three and four won't be required. But on the other hand, there's a very good chance they will be required, otherwise the project would not have been undertaken in the first instance. Obviously, the different phases were identified when the project was initiated.

The question I put to the minister is: what conclusions would come from phases one and two that would trigger the initiation of phases three and four? Or what conclusions would come from phases one and two that would say to the minister, phases three and four are no longer necessary? There should have been some checkpoint or guideline set down before the project was undertaken, whereby when this point in time occurred somebody — the minister in his judgment or the steering committee in their wisdom — could say, now it's time to go on to phases three and four, or we should stop here and not go on to phases three and four. What is being looked for? And what is hoped to be identified in phases one and two that will give the minister direction in terms of going or not going? Upon what will the go or no-go decision be made?

MR. NOTLEY: Mr. Chairman, I think it would be useful if the minister responded to the question of the hon. Member for Calgary Buffalo because . . .

MR. DIACHUK: Mr. Chairman, may I just say that I accept the representation of the hon. Member for Calgary Buffalo and will keep that in mind. It's a good recommendation.

MR. NOTLEY: Mr. Chairman, I'm glad to see that in his ecumenical mood the minister is so cheerful. But we are dealing with the estimates of the Heritage Savings Trust Fund. It strikes me that obviously the steering committee sat down with Dr. Harrell and worked out the guidelines which included four phases, two of which we have dealt with. I gather one phase is completed in the amount of \$8,422 — I'm accurate in that, I assume. I presume the second phase of \$37,462 has not been completed at this stage but is in the process of being completed.

Now it would seem to me, Mr. Chairman, that when the steering committee decided to get into the project there would have been certain conditions, in fairness to the people of Alberta whose heritage fund we are investing as well as Dr. Harrell. I think it would be useful if, as opposed to simply taking the comment of the Member for Calgary Buffalo as notice and as the sort of thing one should look at down the road — I would presume that the steering committee in fact has some guidelines in terms of determining whether or not phases three and four will be completed. I cannot assume for a moment that we would simply have a completely open-ended proposition which may take a year, two years, three years, whatever the case may be.

Mr. Chairman, I want to deal in a little more specific way with the Harrell report. I guess that might be the best way of describing it at this stage. The minister, in outlining it, first of all said it was a survey of factors influencing farm accidents. I just took down brief notes in response to his second answer. A survey of persons who have accidents — an assessment of their characteristics compared to what? It'd be very difficult to get samples of people who haven't got accidents. I'm not quite sure how this is being undertaken, on what basis this gentleman the minister tells us is a sociologist — what are we doing in this particular survey? What is the number of people being surveyed? Is every farm accident going to be reviewed? How many of these people will be interviewed and on what basis? Is the purpose to determine whether or not a particular type of farmer is more prone to accidents than others? Because as I understand the minister's initial answer, Mr. Chairman, this all seemed aimed at farmer safety education programs. Perhaps you just might clarify if the objective is putting together a package that can be sold through the Department of Agriculture extension, to the 4-H movement, through other possible means. That's one thing. But another option might be the whole question of encouraging farmers to take out compensation. I don't want to belabor that point, Mr. Minister, but I really don't think we're going to get very far along the road with education programs.

I don't know Dr. Harrell, but with the greatest respect, getting a university professor to do a sociological study for \$46,000 for two phases, with another two phases coming up, I'm not quite convinced. What's the next step? Are we going to have a psychologist and a psychiatrist in as well so we can do further studies on how to sell safety to farmers? What is the purpose of this kind of approach? The minister mentioned specifically that this

professor is going to work with Unifarm. On what basis is he going to be working with Unifarm? Is he going out to regional conventions? Is it just a case of going to the convention in three or four weeks' time and giving a speech to Unifarm, a kind of Cook's tour speech where the presentation is made, he comes in the door, gives a speech, and out the door? On what basis is he going to be consulting with Alberta's largest farm organization? Is it going to be on a regional level? Who is going to be doing the survey? Are the locals of Unifarm going to be involved in the surveying? Or is it essentially what we have seen too often, which has made people in organizations just a little suspicious, where the speaker comes in, gives a speech, and that's it.

The hon. Member for Calgary Buffalo raised a question of what the fees are. What is the normal kind of fee for this sort of thing? [interjection] I hope it's not \$1,000 a day. Presumably, it isn't that high. But what is the basis of working out a fee with someone who, I presume, is a full-time instructor at one of the universities? What's the time frame he has available for this type of work?

Again, Mr. Chairman, I think that's the sort of thing we have to direct ourselves to. No question that we have to dig into the causes of farm accidents. But I really wonder, and I say frankly to the minister, whether or not we need that kind of sociological study as much as just sitting down with farm organizations and talking about the problems of safety in plain, horse-sense language. The gentlemen you referred to, Solomon — his last name escapes me at the moment — I suspect has the ability to present the case of farm safety better than all the consultants we could hire from every university in the country. I really wonder whether or not that kind of investment is merited. To the extent that it is, fine. But let us make sure that we're working closely with the organizations involved.

With that in mind, Mr. Chairman, I ask the minister specifically whether the decision of the committee to decide on this project came as a result of discussions with Unifarm or whether the relationship with Unifarm is something that's going to occur after the fact, after the committee chose Dr. Harrell, and whether the terms of reference of Dr. Harrell's study came as a result of discussion with Unifarm or perhaps other farm organizations, perhaps the Western Stock Growers' Association. The minister mentioned that some of the people in the Western Stock Growers — I believe that was the association he mentioned — feel that their private insurance is inadequate. Indeed, it is. Perhaps a little later in the study of the estimates, we might also talk about teachers and school boards as well, and the kind of coverage . . . The minister shakes his head. But if we're going to study something, Mr. Minister, we should study all these things. But let us get back to the question of the farm study. Was this particular study commissioned as a result of just this interdepartmental group of advisers, a steering committee — I gather somebody from Environment, Labour, Workers' Compensation — or did it come as a consequence of direct negotiations with the farm organizations *per se*?

MR. DIACHUK: Mr. Chairman, I thought I had explained myself quite clearly during my opening remarks. When we provided the publicity about this program, we received some submissions. At all times, I encouraged submissions from individuals and parties to become interested in programs within this funding to improve and provide us with health and safety research and education

programs.

The hon. Member for Spirit River-Fairview enquired whether Dr. Harrell submitted his application as a result of discussion with . . . I believe I referred to a major farm organization such as Unifarm. It may be that he will be dealing with Unifarm. But according to my file of information, we didn't restrict him to having to deal with Unifarm, nor do I have information here that he has already dealt with Unifarm. I was assured he is well experienced to deal with more than one farm organization, and may be doing it with more than one farm organization because the hon. member and I well know there is more than one farm organization in this province. Therefore, his application says: such as Unifarm. No doubt he has Unifarm in mind as one of them.

I do want to say that as I reflected on this, particularly the Member for Calgary Buffalo and the Member for Spirit River-Fairview, I received some information from above — it's always good to get some information from above. Each phase will be reviewed by the divisional and the steering committee, which then will make recommendations for its continuance. I am advised that there are four phases in this \$46,284 project. That is my correction. I misled the hon. member. My information is that there are two steps in this whole project and four phases within each step. The purpose of that is that they try to make sure that a lot of money isn't paid out to any researcher or any program and kept by them. As they expend it and show that it has been expended, the next phase of funding is provided.

I've confused the hon. Member for Calgary Buffalo really well now. Maybe that's what I was hoping to accomplish at the end of the evening, Mr. Chairman. There will be a continuance of review of the information presented. This is the way we work in the occupational health and safety division. As they've set this up, we have to see some of the work before further funding is provided in the different phases. The others don't, because it's not as big a project. The project in Mount Royal College has already been established at Grant MacEwan College, and therefore it's not in the same format. But this one was of different steps because of the fact it is a new area.

The hon. Member for Spirit River-Fairview had some concerns that maybe the funding should have been done. I have assured the members of this committee that Solomon Kyeremanteng, from research and education, is doing it and that his budgeting is there. But at the same time, this is to supplement what he can't do because he hasn't had the resources. It's fine to say, as did the hon. Member for Calgary Buffalo: provide sufficient funding to do a complete job. In occupational health and safety, we want to walk before we run. This is why we have chosen this avenue to provide some research and education programs through this worth while and good investment for the future of health and safety for workers in Alberta, which in time we hope will include the farm population.

I'm not going to comment but just assure the hon. Member for Spirit River-Fairview that I share his concern about the other large work force in this province that is not covered. Only a portion of teachers are covered by The Workers' Compensation Act. I've also left it up to the Alberta School Trustees' Association and the Alberta Teachers' Association to consider, as directed by the select committee, the benefit and value of being under our programs.

MR. SINDLINGER: Mr. Chairman, the minister is right. The way he put that was a little confusing. I noticed the consternation on the faces of the members for Macleod and St. Paul. Perhaps for their benefit and on their behalf, I might ask the minister if he could indicate again if there are four phases in each of two steps. I thought I might have heard a figure of about \$452,000 in there. Was that correct? Did I hear a total cost in there as well?

MR. DIACHUK: No, I didn't give any total cost. My information is that there are four steps in each of the two phases. I didn't get hit by lightning.

MR. SINDLINGER: So for greater certainty, Mr. Chairman, there are not four phases but only two phases?

MR. DIACHUK: No, there are still four phases, but there are four steps in each of the two phases of the project. So there aren't the four phases I spoke of earlier.

DR. BUCK: Mr. Chairman, to the minister. I'm sure the farmers of this province are going to be very, very impressed that we're going to do a sociological impact study on them. If there's any group of people in this province who want it straight from the horse's mouth, it's the farmers. I wish the hon. minister luck. When young people in the agricultural industry are losing their lives on tractors, losing their arms in grain augers, I'm sure they're going to be very, very impressed that we're going to do a sociological impact study on them. I'm sure they're going to think their Heritage Savings Trust Fund is going to be well spent. In trying to justify a study such as this, I suppose the minister will . . . As he has already said, we are trying to get as much information as we can about as many things as we can.

Mr. Chairman, I know that the government members of caucus and members of the committee think we're wasting time. But if his filibuster has done anything for members of this Legislature, it's probably given them more information on more projects than they've ever had in their legislative lives. When we looked at the estimates, I think we as members of this committee learned more about Lesser Slave Lake than we ever knew existed. On the Workers' Health, Safety and Compensation appropriation, I'm sure all members of this committee will learn more than they ever suspected went on in the department.

Getting back to the question of the study, I am not impressed, to say the least. I think those funds could have been much better expended on getting right down to the nitty-gritty of what happens right on the farm.

MR. NOTLEY: Action is what we need.

DR. BUCK: We've taken some token steps, Mr. Chairman. We've put roll bars on some machinery; on some we haven't. Rather than a sociological study, we should be looking at some of the things that cause accidents. You don't have to have a \$50,000 study to know that when it's good going on the combine, you go day and night and that someone is going to get killed because you get tired. You don't need a sociological study for that. Through the media and through other ways of communicating with farmers, we want to indicate to people that this is what causes accidents.

I'm not at all impressed, and the minister is going to have to explain at greater length than I think he has why this study is important. I'm certainly looking forward to

it. You haven't convinced me. If you haven't convinced me, I'm sure you're going to have as much trouble convincing your government backbencher friends, the taxpayers, and especially the farmers, who we're supposed to be trying to help with this study, of the expenditures. You'll have to do a better selling job than you've done on me, Mr. Minister.

MR. SINDLINGER: Mr. Chairman, we have discussed this particular study in considerable detail. Some questions have yet to be answered, and I don't expect we're going to get the answers this evening. I propose to move on to one of the other studies the minister has talked about. The first is in regard to the inventory of people and specialists in occupational hygiene activities in Alberta. It's my understanding that this is a \$12,000 project. I wonder if the minister might expand a little on that expenditure, and indicate for Members of the Legislative Assembly who is undertaking that project for the minister, when the project was begun, and the contemplated completion date.

MR. DEPUTY CHAIRMAN: Does the minister wish to respond?

SOME HON. MEMBERS: Question.

MR. DIACHUK: Mr. Chairman, I'm looking to see whether I should start reading the whole file, if that's what the hon. member would like me to do.

MR. SINDLINGER: Mr. Chairman, I don't think it's necessary that the minister read his file to us. I know the Minister of Energy and Natural Resources tried that, and it gave us a great deal of useful information.

What I would expect from the minister, however, is a more specific outline, in his own words, of the purpose of these expenditures. I don't think we can be satisfied with just an indication that this money is going to be allocated. I think we should know what it's for and what the ultimate end will be. So rather than getting into detail and reading the file, perhaps the minister might indicate for us when the project was undertaken, when it is expected that it will be returned to him, and by whom it was completed.

MR. MOORE: Mr. Chairman, I'd like to make a few remarks about the discussion going on for most of the evening with respect to the provision of workers' compensation to people employed in the agricultural industry. First of all, I agree with those comments made in the House — and there were a number — with respect to the fact that the Workers' Compensation Board, the minister, and others should be giving every possible encouragement to farmers to cover their workers with workers' compensation.

When I had the privilege of serving as Minister of Agriculture in this government, I spent considerable time reviewing with the Workers' Compensation Board and the minister responsible at that time, now the hon. Government House Leader, ways we might proceed to provide better information about Workers' Compensation Board coverage. A number of farmers purchase insurance policies from various insurance companies selling liability policies and so on, then have the mistaken belief that they in fact have coverage for their employees, when really all they have is an insurance premium that pays so much per arm or leg and covers them in the event that

their employee sues them and makes them liable for some accident that may have occurred. But I have seen several examples of those situations where people who were working on farms and had families were seriously injured — sometimes for life — and wound up with no compensation at all because compensation is not a compulsory aspect of farm employment. I don't believe the agricultural industry in this province should be requested by compulsion to undertake to provide workers' compensation coverage to all their farm employees at this stage, although having reviewed what has occurred with regard to farm accidents, I have to admit I could be much more easily persuaded of that viewpoint today than I might have been a few years ago.

I did want to say to the minister, that I think it's extremely important. I've listened intently to the discussion with respect to whether or not the studies being carried out are valuable. I don't think we can be the judge of that until we see the end result. But I do want to say I believe it's extremely important that we do everything that possibly can be done to encourage farmers to take out Workers' Compensation Board coverage.

In that regard, in my own personal farming operations I've had Workers' Compensation Board coverage for about the last eight years. I only took out the coverage after I became an M.L.A., because I recognized what was there, the value of it, and the difficult position one would be in if you had a major accident with some employee and there was no coverage of any kind, or at least at the very best, very poor coverage.

The analysis done about four years ago of Workers' Compensation Board coverage versus other kinds of coverage available indicated without any question that even the high rate being charged — which was just over \$4 per 100 of salaries for the year — the Workers' Compensation Board coverage, when you considered not only the compensation available to the injured worker but all the rehabilitation services that exist in this province in the Workers' Compensation Board and the other benefits, was far superior to any other plan that existed. No other plan provided the kind of coverage, assistance, and rehabilitation services as did Workers' Compensation coverage. I just wanted to make those remarks and say I think it's essential we do everything we possibly can, including — certainly not limited to, but including — the possibility of some premium subsidy so that we can get farmers to purchase Workers' Compensation Board coverage right across the board.

I can say one other thing with regard to the possibility of premium subsidy. I believe that the rate, which is now \$6.25 per 100 for mixed farming operations — and it may be more or less for single types, like dairying and so on — would be far less if all farmers were covered. In other words, I don't believe the accident rate is really as high as the rate presently reflects. I think the purchase of Workers' Compensation Board coverage by farmers for all their employees would by itself reduce the rate.

If I could make one final comment in terms of the things we do to try to ensure that workers are covered, it's simply this: I think we have to be salesmen. To my knowledge, no one has ever gone out from the Workers' Compensation Board in a constructive way, canvassed the farm community and said, here's a product we'd like to sell you. It's there on request, but nobody sells it to you. I might suggest that one of the most effective ways that could be carried out in this province would be to have the Workers' Compensation Board consider undertaking a contract with the Alberta Hail and Crop Insur-

ance Corporation representatives which have 52 offices throughout this province and, I might add, have a period of three or four months during the year when they are not occupied extensively in terms of providing information and filling out insurance forms with respect to crop insurance. They could be very gainfully occupied during the period from, say, October, November, December, January, in calling on farmers outside of their busy harvest months and explaining to them the benefits of workers' compensation, the manner in which they might undertake to apply for it, and the coverage they'd get.

Another innovative suggestion I would like to make is that the Workers' Compensation Board also consider some methods of collecting for coverage on a monthly basis as opposed to annually or semi-annually as now might be done. Particularly where people are employed on a year-round basis, if some provision were made to be able to submit the Workers' Compensation Board coverage payments on a monthly basis, you might find it more attractive for farmers in particular to cover their employees, rather than having to pay on January 1, particularly in the grain-farming operation when you don't even know how many people you might be employing in the spring or the fall of the year, to make payments at that time.

Mr. Chairman, I wanted to make those remarks because while other members have talked specifically about various studies that have been going on, I think it's important that the hon. minister have some comments from rural members about other overall concerns with coverage of farm workers by the Workers' Compensation Board.

MR. DIACHUK: Mr. Chairman, if I may just respond to the inquiry on the other project by the hon. Member for Calgary Buffalo. Before I do that, I welcome the comments the hon. Minister of Municipal Affairs has made because, if I haven't expressed it, the intent of that survey is to be able to discover what types of persons and what conditions were involved when that person on the farm was involved in an accident, and then discuss what means are available to identify what could be a way to avoid such an accident. One simply can't solve problems if we don't know what the problem is. It's fine for the hon. Member for Clover Bar to expound that he's not impressed. So be it. I welcome his comments too, as I did from the hon. Member for Calgary Buffalo.

With regard to the inventory of people and specialists involved in occupational hygiene activities in Alberta, my information is that it's Mr. Raymond Sloan of Calgary, who has a Master of Science degree. I don't have any more *curriculum vitae* on the gentleman. It is his submission that it's because of an increasing awareness of the public, an increase in demand for quality occupational environment, and increasing incentives to develop this kind of environment that there is a need to identify individuals and companies involved in occupational hygiene activities in Alberta. To be able to assess the names of these individuals and companies, their expertise and their activities, is part of his submission to do the summary.

He says the goals of the study are: to suggest inventory procedures, to identify persons involved in occupational hygiene activities in Alberta, to develop a list of names of persons with addresses and interests involved in occupational hygiene activities in Alberta; to make recommendations toward the ongoing updating of the inventory. Occupational hygiene activities are defined as activities

undertaken with the primary aims of recognizing, evaluating, and controlling health hazards within the occupational environment.

I hope that helps the hon. Member for Calgary Buffalo on what he is really attempting to do in his \$12,000 study.

MR. NOTLEY: I wonder if we can get on to this study a little later. I would like to come back to the study we have spent most of the evening discussing; that is, the Harrell study on factors influencing farm accidents. Setting aside the phases and the steps, which we won't need to get into at this point, it seems to me the kind of information that would be more useful to all of us, frankly, is not the sociological data that this particular gentleman is going to obtain, but we must address ourselves to some of the points the Minister of Municipal Affairs raised. For example, in order to encourage people to take out workers' compensation on the farm, what we have at the moment is this kind of situation where the rates are very high. Why are the rates very high? The rates are very high because the Workers' Compensation Board can only go on the basis of experience. That's how they set it. It's a self-supporting compensation system. If you only have a small number of high-risk people, then the rates have to be high. It's just that simple. There's no other way in which the compensation board can responsibly bring forward different rates.

Most of us are agreed that if instead of 300 to 500 farmers — what is it now, Mr. Minister? We have 50,000 farmers? If we had 10,000 of them enrolled in workers' compensation, you have a totally different picture in terms of the rates. It seems to me that the matter we should be looking at is how we reach that objective? Every member in this House, on both sides, agrees that we've got to widen the scope of workers' compensation to include a large number of farmers on a voluntary basis. I agree. We're not going to be able to bring in compulsory legislation. It was tried in other provinces and it doesn't work. They still don't participate.

So if you've got 25 per cent participating voluntarily, it's the same thing as 25 per cent participating compulsorily and 75 per cent saying we're not going to do it. Fine. I'm quite prepared to accept a voluntary route. But the voluntary route, Mr. Chairman and Mr. Minister, is going to involve a much larger selling job than we've been able to do at the moment. Perhaps we have to look at this business of some kind of short-term incentive rate that would be based on what we think the rate could be if we reach a minimum target of 10, 15, or 20 per cent of farmers being enrolled on a broader basis. So instead of \$6.25 a 100, it might be \$4 a 100. I forget what it is in Saskatchewan. I think it's \$2.75. I believe the Saskatchewan system does have a subsidized rate. Perhaps we don't want to go that far.

The question of that sort of study of what we do to encourage people to enrol is, in my view, an awful lot more valuable than basically a sociological study on how we can reorient the farm safety education program. The Member for Clover Bar is right. What farmers don't need at this stage is another sociological study. I recall being in the Crowsnest Pass when we had the ARDA program down there. People said, please don't study us any more. Do something, but don't study us any more. We've been studied enough. Of all groups in this province, farmers are most likely to say: do something, but we don't want another study, particularly a sociological study on the characteristics of those people who have accidents. I really can't see where that's going to lead. Other than the

\$46,000 expenditure here, I have some real difficulty understanding what in heaven's name we're going to gain out of it. If the study is to look at what other provinces have done to promote greater enrolment, if the study is going to examine the feasibility of the proposition of the Minister of Municipal Affairs, that perhaps we should see what could be done through the crop insurance offices through the province, that seems to me to have a good deal of merit. I don't always agree with the Minister of Municipal Affairs, but I think that has a good deal of merit. Let's look at that kind of proposition.

What I'm saying to the members of the committee is that we're sitting here today discussing this subject in the abstract way we did two years ago in the committee, and the way the committee did five or six years before that. Nobody is really prepared to bell the cat on this issue in a effective way, unless we say to ourselves that these kind of vague sociological studies aren't the answer. The answer is a real sales job.

The question of involving the farm organizations is absolutely crucial. I just don't think we can get to first base unless we can bring in Unifarm, the Stock Growers, the National Farmers Union, the Christian Farmers Federation, and various other groups. Instead of having a university professor attempting to suggest to people why it is that certain people have more characteristics that incline them to be accident-prone than others, what we need are MLAs, the minister, and the whole shebang on both sides of the House prepared to go out to local meetings and the Unifarm convention and state the case as to how we can increase the numbers at the moment. In 1981, Mr. Chairman, we are depressingly similar to where we were in 1979, 1975, and way back in 1973, when the hon. minister sat on the first committee and attempted to tug a little at the tiger's tail on this particular issue.

Let's move from the theoretical and the general to a specific program. If the minister was coming to this Assembly and saying, okay, we've got \$50,000, and however many phases you want. We're going to work with the farm organizations. We're going to promote workers' compensation on farms in this province. That would be the best thing you could do, Mr. Minister, the best investment we could make as far as agriculture is concerned out of this portion of the \$1 million being allocated to farm safety. It will grow on a voluntary basis is you bring a significant number of farmers in this province under the programs of workers' compensation, so that people who are injured are able to take advantage of the rehabilitation programs, and the kind of programs that are already in place by the board get around the countryside, not just among 300 or 400 farmers but among a significant number, so that in every community there are many, many farmers who have compensation coverage. But we're not even making volunteerism work in this province as long as the thing is left in this kind of abstract, theoretical way. That's why I think we might look, if we're going to be studying the matter, at the practical kind of study that's going to compare the steps that could be taken over the next few months.

MR. FJORDBOTTON: Mr. Chairman, I'd like to make a couple of comments with regard to what's been said tonight. The Minister of Municipal Affairs laid out the agricultural part of workers' compensation very well. One suggestion I totally agree with is using the crop insurance offices to sell and handle workers' compensation. That's something we discussed in the select committee. I think it has a great deal of merit. When you have a number of

Workers' Compensation Board people coming out to talk to farmers when they don't understand farmers is not the same as someone who goes out with crop insurance, goes into your home, handles the crop insurance and handles the other part of it.

If you look at the kind of information we're gathering, we can say that different studies aren't really necessary but this is the first time — I think the Member for Spirit River-Fairview will agree — we've really tried to look at and get a handle on doing something. We have someone within the department, Solomon Kyeremanteng, who I think is doing a great job in going out and trying to sell the program, trying to explain it, and trying to get a handle on the kinds of accidents we actually have and the kind of people involved. I've become more convinced as I look at it that we can't treat all farmers the same in this instance. There's a difference between a feedlot that operates on 12 months out of the year, or a grain operation that operates on a shorter term. Any studies or data we can get on trying to do that so we have some hard facts to go with, I think is important.

This last year we had a meeting in Nobleford, in my constituency, and the Workers' Compensation Board people talked to the farmers about how we could actually handle it. I agree that any and all effort should be put out to try to communicate to the agricultural community that they just can't afford to be without workers' compensation. We're not only talking about employees employed in agriculture. They should have the same protection and the same things available to them that any worker in any other industry has. I agree. In agriculture I think that they should have that same opportunity. Before I was involved in the select committee, I know I believed the insurance I had was quite adequate. I soon came to learn that that wasn't adequate anymore. If a worker is injured, as long as I'm alive and take care of him he will be fine, but he won't be as well off as he would be under workers' compensation, the rehabilitation program and retraining, or whatever is necessary. If it's a fatal accident, there is no way you can provide the same protection for a worker with straight insurance as you would through workers' compensation.

I think that any data we can work on at the moment and get down to the rate schedule . . . I don't think the rate schedule will work as a whole. We talk about putting in a subsidy, but how much of a subsidy and for how long? Is it going to be a continuous thing? I think agricultural people expect to pay their way. I don't think they want a long-term subsidy. I think we have to address the different segments of agriculture. Maybe the rate schedule will have to be different for each one of them. There might have to be a short-term subsidy. If we have to have one and have to go after the Minister of Agriculture of the day and get a short-term subsidy in order to get it going, maybe that's something we will have to look at.

Right now I think we have to collect more data. As I said before, I don't think collecting the data is enough. We also have to put that data to work, put a package together that we can go out and sell to agricultural people all across this province that there is no way they can afford to be without it. If they realize for one minute the importance of the protection not only for themselves and their family, but for the workers . . . If a worker who is working for you as a primary producer gets injured and sues you, it could result in losing everything over one accident. One of the benefits of having compensation is that for the right of compensation you give up the right of lawsuit. I think the Member for Spirit River-Fairview

knows what happens in England when everything ends up in the courts. I don't think we want to see that. I don't think a worker should have to wonder how the court case is going to come out or what's going to happen before he can receive those benefits.

This is only one study. I think we need a few more, but we shouldn't study it to death. We have to see some action in it too. I urge all members to support this particular vote.

MR. CRAWFORD: I move the committee rise, report progress, and ask leave to sit again.

[Motion carried]

[Mr. Appleby in the Chair]

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

MR. DEPUTY SPEAKER: Having heard the report and the request for leave to sit again, are you all agreed?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, the afternoon hour tomorrow has been designated for government business. At that time, we will resume consideration of Bills on the Order Paper in committee study. I will be able to indicate to hon. members sometime tomorrow afternoon whether the Assembly will sit tomorrow night.

[At 11:12 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]