

## LEGISLATIVE ASSEMBLY OF ALBERTA

head: ORAL QUESTION PERIOD

Title: Wednesday, April 11, 1984 2:30 p.m.

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

## PRAYERS

[Mr. Speaker in the Chair]

## head: TABLING RETURNS AND REPORTS

MR. JOHNSTON: Mr. Speaker, I have the privilege today to table the annual reports of several advanced education institutions in the province, including the University of Lethbridge, the University of Alberta, Athabasca University, Lethbridge Community College, Fairview College, Keyano College, Medicine Hat College, Mount Royal College, Olds College, Red Deer College, Westerra Institute, and Banff Centre; as well, the Alberta Council on Admissions and Transfer annual report.

## head: INTRODUCTION OF SPECIAL GUESTS

MR. DIACHUK: Mr. Speaker, on behalf of my colleague the hon. Tom Chambers, MLA for Edmonton Calder, I would like to introduce to you, and through you to the Assembly, some 55 grade 6 students from the Lorelei elementary school in the constituency of Edmonton Calder. Accompanied by their teachers Mr. Parker and Mr. Kaluzniak, they are seated in the members gallery. I'd like them to rise and receive the usual welcome of the Assembly.

DR. ELLIOTT: Mr. Speaker, on behalf of my colleague for Edmonton Whitemud it's my pleasure to introduce to you, and through you to the members of the Assembly, 10 grade 6 students from St. Stanislaus school. They're accompanied by their teacher Mrs. Malo. These students are studying government in their classroom. I ask them to rise and receive the warm welcome of the Assembly.

MR. GOGO: Mr. Speaker, I'd like to welcome to the Assembly the longest serving mayor in the province of Alberta, Mayor Anderson of Lethbridge, who just last week had the very pleasant experience not many people enjoy: celebrating his 75th birthday. Mayor Anderson and the city manager, Mr. Bartlett, are in the members gallery. I now ask that they rise and receive the welcome of this Assembly.

MR. BATIUK: Mr. Speaker, visiting the Alberta Legislature today is a constituent of mine who is very special to me. He is a chiropractic practitioner in Vegreville.

In my late teens I sustained a severe back injury, and for many years I was unable to find relief. In the early 1970s, against the advice of some medical practitioners, I did go to see this chiropractor. After a number of treatments, I was greatly relieved. Over the last eight or nine years, Mr. Speaker, I have enjoyed better health than for the previous 35 years. [interjections]

Seated in the members gallery are Dr. Schulte and his pretty wife, Jean. I ask that they rise and receive the welcome of the Assembly.

## Electric Power Financing

MR. NOTLEY: Mr. Speaker, after that happy beginning, I'd like to address my first question to the hon. Provincial Treasurer, and ask if he can outline to the Assembly the position of the government of Alberta with respect to the proposal by the city of Edmonton for assistance in financing, either directly or through loan guarantees, the Genesee power project.

MR. HYNDMAN: Mr. Speaker, some two years ago I wrote to the then mayor of the city of Edmonton indicating that with respect to the Alberta Municipal Financing Corporation, it had been and continued to be the policy of the provincial government that while moneys would be made available for municipal capital projects that were, let's say, typical, there had not been and would not be moneys available with respect to utility capital development. That situation was made clear at that time.

Even before then, I think in the fall of 1981, my colleague the then Minister of Municipal Affairs, Mr. Moore, and I wrote a letter indicating that the moneys which had been made available and the rate at which demands for capital were being placed upon AMFC — and bearing in mind the very different provincial budgetary situation — were such that we would not be able to continue to lend moneys at that rate.

So essentially the province has not been and is not now in a position to lend moneys with respect to utility capital construction by municipalities. To do that would probably deny other municipalities in the province moneys for roads and other municipal works.

As well, if memory serves me, I believe the city of Edmonton has borrowed some \$1.5 billion in total from the Municipal Financing Corporation. That program and that shielding is, of course, unique in Canada. Budgetary realities would as well preclude us from proceeding to be any more generous.

MR. NOTLEY: Mr. Speaker, given the minister's answer with respect to borrowing through the Municipal Financing Corporation, what would be the position of the government of Alberta with respect to either direct lending or loan guarantees outside the purview of the Municipal Financing Corporation?

MR. HYNDMAN: Mr. Speaker, the province has in place the unique program through the Alberta Municipal Financing Corporation. As I indicated, this year the province will have to borrow from markets in other parts of Canada or around the world to balance the budget and to cover the deficit in the budget which was recently put forward. The city of Edmonton, like other municipalities across the country, has the opportunity to borrow on its own account, and that would be its proper option at this time.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given the Treasurer's answer that municipalities should not borrow for utility expansion, could the Treasurer advise what steps are now being taken to secure the immediate repayment of what one can only assume are mistaken loans of \$20 million to TransAlta Utilities from the Heritage Savings Trust Fund, \$133 million to New Brunswick Electric Power Commission, \$147 million to Newfoundland and Labrador Hydro, \$123 million to Nova Scotia Power ...

SOME HON. MEMBERS: Question.

MR. NOTLEY: ... \$258 million to Manitoba Hydro, and ...

MR. SPEAKER: I don't wish to interrupt the hon. leader; I don't know what he was still going to say. But I think the House would have to consider that, in fairness, given the answers he received to his previous questions, this question really could not be seriously objected to.

MR. NOTLEY: Mr. Speaker, I'm sure it couldn't be seriously objected to, because the question is very direct. Since we have loaned money, through the Heritage Savings Trust Fund, to utilities right across the country — electric utilities too, I might add — why are we not prepared to loan money to the city of Edmonton with respect to the Genesee project?

MR. HYNDMAN: Mr. Speaker, they're completely different divisions of the government and of the heritage fund. As the hon. member knows, the Assembly — including the hon. members opposite, if I recall — agreed to have the Canada investment division of the heritage fund. This was set up at a time when greater dollars, in terms of amounts, were available for investment. Those were made as investments. They were made to those provinces and those entities at interest rates of up to 14, 15, and 16 percent, as I recall, market interest rates — a very different situation from the record amounts of dollars made available to municipalities in Alberta. No other province has the borrowing opportunities that municipalities in this province have from the government of Alberta.

So in addition to the billion dollar municipal debt reduction program in 1980, the benefits of which still flow every week to property tax payers in the province, the realities are that we've been more generous to the municipalities than any other province. Certainly though, without increasing the deficit further, or taxes, we couldn't go any further.

MR. MARTIN: Apples and oranges, Lou?

MR. NOTLEY: Yes, apples and oranges. That is a matter of opinion.

Given that answer, I would like to ask the hon. Provincial Treasurer what consideration is being given by the government of Alberta to asking the Energy Resources Conservation Board to review electrical energy requirements from 1985 to 1990, particularly with respect to the Genesee proposal. The reason I ask that, Mr. Speaker, to be fair to the Provincial Treasurer, is that on pages 7 and 8 of its report, the ERCB suggests that  
contrary to previous expectations, [the] forecast [is] that  
Alberta would not recover quickly from the current recession and would not lead Canada in terms of economic growth.

Given the Provincial Treasurer's assertion on page 12 of the Budget Address that the "medium-term economic outlook for the province is very positive", when will the cabinet ask the ERCB to reassess their report, given their obviously incorrect assumptions, at least if the Treasurer's budget is to be believed?

MR. HYNDMAN: Mr. Speaker, I don't subscribe to the alleged reasoning of the hon. member in comparing the two reports. The ERCB and others have read and will read the budget speech. My colleague the Minister of Utilities and Telecommunications may well want to comment.

I just want to make the point that there are limits to the record borrowing that municipalities such as the city of Edmonton can make upon the province. We as a province do not want to deny other towns, villages, smaller cities, counties,

and municipal districts throughout the province the opportunity to borrow for municipal projects that are not related to utilities.

MR. BOGLE: Mr. Speaker, I'd be pleased to supplement the answer by my colleague the Provincial Treasurer. I would like to draw the hon. member's attention to page 59 of the ERCB report with regard to scheduling both the Genesee and Sheerness projects, that was given to the government in December. In clauses 3 and 4 there is reference to scheduling and commissioning the plants. More specifically, the fourth point states clearly that before December 31, 1984, the board shall require the operators — i.e. Edmonton Power, TransAlta, and Alberta Power — to satisfy the board that the scheduling is in fact in keeping with the needs of Albertans and to satisfy the board that there should not be a further delay in commissioning the plants.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Provincial Treasurer. My question really relates to the reasoning in the ERCB report, which would appear to indicate something of a less optimistic outlook than the Provincial Treasurer has. [interjection] Yes, that's what it says on pages 7 and 8 of the report.

In any event, my question is: is it going to be the intention of the Alberta government to ask the ERCB to reassess its recommendation, given the reasoning the Provincial Treasurer has outlined on page 12 of his provincial budget?

MR. HYNDMAN: Mr. Speaker, I would imagine that in the way it has effectively carried out its responsibilities, the ERCB is constantly reassessing, in a fast-moving province, the various input information it receives.

MR. NOTLEY: Mr. Speaker, a supplementary question. Could the hon. Provincial Treasurer tell the House whether, as a result of his much more optimistic version of the future, Executive Council has made any communication with the ERCB or specifically discussed, through the hon. Minister of Utilities and Telecommunications, with His Worship the Mayor of Edmonton or city representatives the Provincial Treasurer's rosier outlook, which may have some bearing on scheduling these projects?

MR. HYNDMAN: Mr. Speaker, I believe the Minister of Utilities and Telecommunications is in contact with the ERCB with respect to matters relating to that portfolio and various predictions from various quarters as to the future electrical needs of the province.

I simply say that I don't think there is a significant difference between the general approach to the future of the province as set forth in the budget and as set forth in the report which is mentioned. The hon. member seems to forget that with 9 percent of the population in Canada, we have 20 percent of all the investment in the country, and that on a per capita basis the gross provincial product in this province is higher than any other province in the country.

MR. NOTLEY: Should be good for the power projections. Mr. Speaker, the hon. member has a supplementary question. I'll defer to him.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister of utilities, with regard to the impact of Genesee coming on stream now or in the near future. Is it still the department's position that bringing this plant on stream at this

point in time would have a significant effect on the power rates of southern Alberta?

MR. BOGLE: Mr. Speaker, the decision made by the government, I believe on February 21 of this year, was that the utility companies could proceed with construction at their own discretion and clearly at their own risk, that the commissioning of the plants would be in accordance with the recommendations of the ERCB report. That report came forward with its recommendations based on projected needs, to ensure that customers across Alberta would not be faced with undue and unnecessary electric costs due to plants being commissioned that were not yet needed.

MR. PURDY: Mr. Speaker, a supplementary to the minister of utilities. In view of the fact that the 1983 projection is below the forecast by the electric planning council, has the minister any information from the electric planning council as to what the forecast may be for 1984-85?

MR. BOGLE: Mr. Speaker, I do not have that information at this time. But in response to the hon. member, I suggest that that was one of the very sage and wise reasons the ERCB, in its report to government, placed the onus back on the operators to present evidence to the board before December 31 of this year, giving reasons the scheduling of the commissioning should not be further delayed.

#### Homestead Sales

MR. NOTLEY: Mr. Speaker, I'd like to direct the second question to the hon. Associate Minister of Public Lands and Wildlife. Given the slowness in processing homestead applications, what personal review has the minister given to the suggestion of the former deputy premier, Dr. Horner, for a massive homestead expansion program in northern Alberta?

MR. SPARROW: Mr. Speaker, over the last 10 years, all homestead postings in the province have averaged approximately 250,000 acres per year. The demand for posting is down this year. It is anticipated that within the current year, we will be fortunate to post approximately 150,000 to 200,000 acres. Through the integrated management planning process, we are definitely looking at the location and expansion of possible future agricultural areas, and numerous plans will be coming forth this year for approval.

MR. NOTLEY: Mr. Speaker, a supplementary question. Has the minister developed any plan to implement the proposal of the former deputy premier for the establishment of a lands commission which could co-ordinate the administration of a major thrust along the lines envisaged by the former deputy premier?

MR. SPARROW: No I haven't, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a supplementary question. Has the minister at least commissioned a cost/benefit study of the Horner proposal?

MR. SPARROW: Mr. Speaker, we are continuously proceeding with cost/benefit studies through the integrated management process and intend to have the economic analysis of the areas done on a well-planned basis, area by area.

MR. NOTLEY: I've been hearing that for 13 years.

Mr. Speaker, could I ask the hon. minister whether he has developed any specific response to the Northern Alberta Development Council survey of farmers in northwestern Alberta, which indicates that some 80 percent would like to increase their production through the purchase of undeveloped Crown land?

MR. SPARROW: Mr. Speaker, as all are aware, we are presently awaiting the arrival of a report from the [ECA] of the Department of the Environment. Charlie Stewart is chairing a committee on agricultural land usage, which has been travelling the province. We are eagerly awaiting that report and all the submissions that were given. We are waiting for the summarization and recommendations of the report. We will definitely be studying all their reports when they come in.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister, and perhaps to the hon. Minister of Manpower. Has there been any study on the number of jobs that could be created via road construction, brushing, clearing, et cetera, as a consequence of the former deputy premier's proposal? Has any specific study been commissioned by either the associate minister or the Minister of Manpower on the job potential of the Horner proposal?

MR. SPARROW: The Minister of Transportation may want to supplement my answer, but my department has not commissioned a specific study with reference to opening up or building new roads for access. We have been able to maintain an annual average, and there hasn't been a lot of pressure brought to bear to increase that average. We are planning to open up new lands on a very well planned basis through the integrated management planning process. In fact, there is an excess of private land available for sale in the marketplace, and new lands brought on by government distort that marketplace.

MR. NOTLEY: Mr. Speaker, given the minister's answer that new lands coming on tend to distort the private marketplace, is that the position of the government at this stage? In other words, are we closing the door on the Horner proposal? Or is the government awaiting further review on the job prospects by — I don't know who, because the minister says it's not his department that's doing it. What is the position?

MR. SPARROW: As I stated previously, Mr. Speaker, we are awaiting the ECA hearings and reports. The Dr. Horner report was presented to the ECA hearings in Grande Prairie. Every organization across the province that wished to get involved in the process of those hearings studying the agricultural land base, had an opportunity to do so. I am eagerly awaiting that report and will look at it as soon as I receive it.

MR. M. MOORE: Mr. Speaker, perhaps I could supplement the hon. minister's answer to the hon. member's comments about the kind of jobs that might be created by the additional road infrastructure that would be required with respect to opening up additional amounts public land. In the current fiscal year, Alberta Transportation will spend \$20 million under the improvement districts construction program and some \$10 million under roads to Indian reserves and Metis settlements. In addition, a substantial amount of improvement district dollars is flowing to us from the improvement district trust accounts for road construction. The amount that would be required to service the additional lands that are being talked about is about \$10 million per year.

Perhaps I could advise the hon. member that in terms of jobs created and actual work done, in 1983 we in Alberta Transportation had a record year for road construction in every category that one would want to suggest, including jobs provided. In 1984 our budget, while slightly less than 1983, is expected to produce an equal number of jobs. The largest amount of money ever expended will be spent in northwestern Alberta for road construction. Some \$34 million on one road construction project, Highway 40 — which, incidentally, the hon. member has condemned — will create more jobs than would be created by the total of the land development proposals that have been discussed by the hon. member.

So in terms of a job creation point of view, our Department of Transportation is providing jobs that are second to none in Canada. In fact the total budget, in job creation capability, of the Alberta Department of Transportation in 1984 surpasses that of British Columbia, Saskatchewan, and Manitoba combined.

MR. NOTLEY: Mr. Speaker, we will have an opportunity to debate that in the estimates.

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

MR. NOTLEY: I would like to pose a question to the hon. Minister of Manpower or the hon. Minister of Economic Development and ask whether, in view of the credibility of Dr. Homer and his proposal, anybody in this government has commissioned a survey of the job creation potential of a major land development program.

MR. ISLEY: Mr. Speaker, the Department of Manpower has not formally commissioned any outside study on that subject. There have been some internal assessments and considerations of it. I would point out to the hon. member, though, that in the past year agriculture has been one of the greatest creators of jobs in this province.

#### **Mercury Contamination in Fish**

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of the Environment is a follow-up to the one I asked with regard to the mercury contamination of fish in the North Saskatchewan and Bow rivers. In that answer the minister stated that a news release was being published to let the people in the area know. What I would like to know is: when was the minister made aware of that contamination in the river, and what were the first actions taken at that time?

MR. BRADLEY: Mr. Speaker, I'm a bit puzzled by the question. The Department of the Environment has been monitoring the Bow River for a number of years. The levels of mercury in the Bow River system have consistently been below the level for which there would be concern under the Canadian drinking water guidelines. So there has been no concern with regard to the water itself in the Bow River.

The question the hon. member must be relating to is studies which were commissioned through the Fish and Wildlife Division, carried out by the Alberta Environmental Centre, with regard to a fish bioassay relating to a number of different compounds, chemicals, and metals in fish in the river systems in Alberta. That matter was only brought to my office in terms of the draft report, because the report has not yet been completed in a final form. The draft information was available to Fish and Wildlife. When it became available to them, they

wished to have it included in their 1984 sport fishing regulations, to advise citizens of the levels of mercury in the fish and of what action they might take.

My colleague the Associate Minister of Public Lands and Wildlife may wish to comment further.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of the Environment. The concern is that in 1972, letters were written to some of the people in the Brooks area, indicating mercury contamination in the fish. I was wondering why the department or the minister was not made aware of that earlier. Why were the first advertising or notices not to use the fish made available to the people in Alberta in 1984? Why was there such a delay in dealing with that problem?

MR. BRADLEY: Mr. Speaker, I can only say again that in terms of the monitoring the Department of the Environment has done over the years, the mercury levels have been below the upside standard of the Canadian drinking water quality guidelines. So no concern was brought to my attention by my officials that there was any problem with regard to drinking water in any of the river systems in Alberta. My colleague who is responsible for the Fish and Wildlife Division and the studies with regard to sampling of fish that have taken place in that area over the years, may wish to comment further.

I may just say that we in the province of Alberta haven't had the capacity to do this type of analysis. Only recently, with the development of the Alberta Environmental Centre at Vegreville, have we had the ability, through the department, to do this type of work in Alberta.

MR. SPARROW: Mr. Speaker, the first report was brought to my attention. We found that the safe level of .5 parts per million was found in fish. That is the first report that came to my attention. I am told that previous tests were always below that level. Over the years, additional mercury is gradually being deposited into the system through the mountain streams. It has just broken over what we would classify as the safe level, and that's why we put the warning in the 1984 guide to sport fishing regulations.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the associate minister. A number of people in Alberta do not require a fishing licence: senior citizens and those under 16. What steps are being taken to notify those persons that the fish are contaminated with mercury and may be injurious to health?

MR. SPARROW: The news release sent out was hopefully for all Albertans. Very specifically, the 1984 guide to sport fishing regulations will get to a great number of those people. They do frequent our offices and pick up brochures and magazines. But they are not required to buy a licence, so we're hoping that the media coverage on the issue will make every Albertan aware of that warning and take notice of it.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. There is a major Indian reserve on the Bow River, and a number of the people there do fish and are not required to have a fishing licence. What specifically has been done to warn those people of the contamination in the fish?

MR. SPARROW: Mr. Speaker, I would have to take that under advisement. I haven't had any information from my department with reference to that specific river and that specific Indian reserve, but I will undertake to make sure that we look at those types of people and that warnings are sent to them. I think the

hon. member has a good point, that some people may not be picking up the 1984 guide to sport fishing regulations, and we'll endeavour to get back to him.

MR. BRADLEY: Mr. Speaker, if I could just supplement the answer of my colleague. As I recollect — and I'd have to check — the problem with the fish as reported was below the Bassano dam, which is downstream of the Indian reserve the hon. member referred to.

DR. BUCK: Mr. Speaker, a supplementary question to the hon. associate minister. In light of the fact that there is contamination in the fish in this system, can the minister indicate what studies are being done on northern lakes in the province to see if the DDT that was sprayed many years ago has finally gone through the food chain and the fish, especially the large lake trout in the Cold Lake area. Are they now free of DDT? Are any of those studies being done?

MR. SPARROW: Maybe my hon. colleague the Minister of the Environment could supplement my answer. To my knowledge, we are testing fish, specifically in Cold Lake. In the reports I've seen, DDT contamination has definitely dropped over the years. It is in a very favourable position, and we're hoping that it continues in the downward direction. Numerous rivers, streams, and lakes are being tested, and we're using the Department of the Environment facilities to do that. I think a lot more testing has been done in the last two years than was done previously. If there are any specific lakes you wish to have tested, please let me know.

#### **Driver's Licence Requirements**

MR. OMAN: Mr. Speaker, my question is to the hon. Solicitor General. A study recently released by the University of Calgary indicates that over a period of five years, teenagers contributed to a disproportionate number of traffic accidents. The study also recommends that the learning permit driver's age be raised from 14 to 16. Has the Solicitor General under consideration any plans to raise the age of learning permit drivers, or perhaps to require a driving school licence before they are allowed on the road?

DR. REID: Mr. Speaker, I haven't read the report the member is referring to. The suggestions made in the report include increasing the age for the learner's permit, I understand, and there are some remarks about drinking and driving and other aspects of traffic accidents. I think it's been well known for a considerable number of years that young drivers, and indeed inexperienced drivers of any age, have a disproportionate number of accidents. That's probably related to many aspects, and I can go into those if the member wishes. The report probably defines in a quantitative way, more than others have done in the past, the actual risk there is to young drivers.

At the moment there is no consideration being given to increasing the age for having a learner's permit, but perhaps it's one of the things that will be reviewed in the ongoing process in relation to the Motor Vehicle Administration Act.

MR. OMAN: Mr. Speaker, a supplementary. The report also indicates that the combination of alcohol and risk-taking associated with teenage years is a contributing factor, and recommends that the drinking age be raised from 18 to 21. Could the minister indicate if there's any consideration of raising the drinking age at this point?

DR. REID: No, Mr. Speaker. There have been many representations made. There are jurisdictions outside Alberta that have never lowered their drinking age to 18 from 21 or 19. There are others that have increased the legal drinking age from 18 to 19. There's little evidence that in actual fact it has much effect upon the drinking by those who are in the age categories I think the member referred to in the question.

The situation in Alberta is that at the ages of 14 and 15, one can have a provisional driving permit but that the driver has to be accompanied by an experienced and licensed driver. Between 16 and 17, several precautions are taken by the department. These drivers, who are able to drive by themselves, are regarded as probationary drivers. The Driver Control Board and the motor vehicle branch work in concert. If any driver of 16 or 17 accumulates as few as eight demerit points, they are called into the Driver Control Board for an interview.

There's considerable evidence that those interviews have a salutary effect upon the driving habits of these young people. I think we have to realize that young drivers, with their very quick reflexes and inexperience, do tend to take risks that those of us with more years of driving would not take. That's perhaps a characteristic of youth. The effect of the interviews with the Driver Control Board, however, does seem to indicate that they pay considerable attention to the fact that they have been fingered and called in for an interview.

With regard to the legal drinking age, I find it a little difficult myself — and I think other people do too — to accept that we allow somebody a mortgage or a bank loan but not a drink. It's a difficult problem for society.

MR. SPEAKER: The hon. Member for Edmonton Norwood, and then the hon. Minister of Social Services and Community Health has some further information on a topic raised in a previous question period.

#### **Labour Relations Board Hearings**

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Labour. What assessment has the minister made of the action of the Labour Relations Board, as a consequence of the admission by the board before the Court of Queen's Bench that two members of the board stated their views on a particular application before a hearing had even been held on the matter?

MR. YOUNG: Mr. Speaker, I've had a consultation with the chairman.

MR. MARTIN: Well, that's very good. I'm glad to hear that.

A supplementary question. Will the minister order a review or an inquiry into the Labour Relations Board because of this serious matter?

MR. YOUNG: Mr. Speaker, the answer is no.

MR. MARTIN: The minister is really forthcoming today.

I'll ask him another supplementary question. Is it the policy of this government that when a board, which is a quasi-judicial body, admits its prejudice in this way before the court, there is no need for any sort of action by this government?

MR. YOUNG: Mr. Speaker, perhaps a more elaborate answer would help the hon. member. The matter in question was indeed an unfortunate incident. However, it is one which was identified by the board itself and recognized by the board. To our knowledge, and based on all the evidence that has come to my atten-

tion or to the chairman of the board, it is a unique incident. It has been taken into account by the chairman of the board and, to the best of my information, has not created a significant problem for the parties involved, because of the corrective actions taken by the Board in that incident. Steps have been taken to assure that the individuals in question realize the nature of their full responsibilities.

MR. MARTIN: A supplementary question to the minister. It is a very serious matter. It's like jurors sitting around discussing a case in court.

The Act states that the members of the board sit at the pleasure of the Lieutenant Governor in Council. My question is, has the minister done any review of whether or not the members of the board involved in this matter should continue to serve?

MR. YOUNG: Mr. Speaker, my answers to earlier questions would clearly indicate that the matter has in fact been reviewed, and that's one element of the review.

I would like to make it clear that the normal procedure on an application before the Labour Relations Board is that staff officers search evidence and information. That is a normal procedure. I understand it was followed in this instance. I have already indicated that as far as members of the board are concerned, the incident has been fully reviewed, the problems and sources of the problems identified, and corrective action taken.

MR. MARTIN: A supplementary question. I believe the people who made the decision are still on the board.

But I'll go into another area. Has the minister done any review of the Labour Relations Act, to establish a procedure whereby the courts would take jurisdiction in cases such as this, where the board was clearly in the wrong?

MR. YOUNG: Mr. Speaker, there's some implication involved that should not be left the way it is. In the first instance, a decision was rendered which had an error, as I understand, on the face of the decision. That's different from the incident the hon. member is addressing in his questions, although it relates to the same application. In an instance of that nature, the courts would normally strike down the decision on the basis of evidence presented by the parties. My understanding is that it didn't even go that far. On its own, the board caught the error and voided the decision.

In the second incident the hon. member has been questioning, no decision was ever rendered. The hearing was voided before it was completed. As a matter of fact, I'm not sure the hearing was even commenced.

My final observation is that as the hon. member would know from the interaction of judicial proceedings with regulatory law, an incident of that kind would obviously not be accepted by the court had there been a decision. But there was not a decision, and I think that should be clear here.

MR. SPEAKER: Might this be the final supplementary by the hon. member.

MR. MARTIN: Yes it may be, Mr. Speaker.

MR. SPEAKER: It will be.

MR. MARTIN: The board is still reviewing itself, even though they pulled it out, and the same people are still involved. My question then: is it the policy of this government that the Labour Relations Board should continue to make decisions on cases in

which this kind of very serious error has been made? The minister looks confused. What I'm saying is that they are the same ones that are going to be making the ruling, even though they had clearly erred. That's the point I'm trying to make. Is that the government's policy?

MR. YOUNG: Mr. Speaker, it's clearly the policy of the board and of the government with responsibility for the board that persons, once involved in a partial or a full hearing where there is an incident of any kind of conflict between those persons and the matter in question — if there's any kind of objection of that nature, they cannot hear the case again.

In this instance they will not be hearing the case again. The board sits in panels, and what has happened is that certain members of the board are disqualified from hearing that particular case. From my point of view, it is not a question that because one error was made — and there has been no attempt to disguise the fact that an error was made on the part of the board or on the part of the individuals in question. That's been clear and, as a matter of fact, I think they identified it immediately. Therefore it doesn't follow that they should be disqualified from other matters any more than it would follow that the hon. member, having erred in a question, should not be able to ask other questions.

#### Westfield Centre

DR. WEBBER: Mr. Speaker, yesterday the hon. Member for Little Bow asked a question about Westfield centre. Upon checking, I have found that we have confirmed and approved proceeding with renovations to one particular area so that there will be a 10-bed unit where young people will be provided with treatment from a mental health or psychiatric approach. The budget is in place for that. I'd be happy to respond to the details of that during the estimates.

As I indicated yesterday, there has been no reduction in staff. There will be 14 employees required for this 10-bed unit, and that will be the result of reallocation of manpower resources. The proposal was one that came to us from Dr. [Maurice] Blackman, and the department is having ongoing discussions with Dr. Blackman regarding program design and administration.

MR. PAPROSKI: Mr. Speaker, could I ask a supplementary of the Minister of Social Services and Community Health, dealing with the Westfield development? Could the minister please indicate whether new buildings are being built at the Westfield facility? Is that what's being planned?

DR. WEBBER: No, Mr. Speaker. It would be renovation of a particular cottage or unit, which will be a 10-bed unit. It would be renovation rather than construction of a new facility.

MR. SPEAKER: The hon. Member for Lethbridge West, and then the Minister of the Environment has some further information on a question previously asked.

#### AHMC Mortgages

MR. GOGO: Mr. Speaker, I have a question for the Minister of Housing. In view of the increasing interest rates charged by private lenders, is the Alberta Home Mortgage Corporation presently considering increasing interest rates on the family home ownership program?

MR. SHABEN: Mr. Speaker, under that program the Alberta Home Mortgage Corporation generally loans at the current rates

being offered by other mortgage lenders who are operating in Alberta.

MR. GOGO: A supplementary, Mr. Speaker. As the mortgage interest subsidy program ends in August 1984, I believe, could the minister advise the House if the government is actively considering extending that program?

MR. SHABEN: No, Mr. Speaker.

MR. GOGO: A final supplementary, Mr. Speaker. Could the minister advise if the number of defaults in mortgages with the Alberta Home Mortgage Corporation is increasing? What programs are either in place or being put in place to reduce or avoid foreclosures for Albertans?

MR. SHABEN: Mr. Speaker, throughout the course of 1983 and in 1984, a number of major modifications have been made with respect to the processes used by the Alberta Home Mortgage Corporation. Prior to 1983 it wasn't possible for an individual who had mortgaged a home through the Alberta Home Mortgage Corporation to pay out the mortgage without penalty. That was changed. Subsequently a number of other changes were introduced, including the major announcement of the opportunity for all mortgage holders to have their mortgages written down to 12.5 percent.

So there have been a variety of initiatives taken by the Alberta Home Mortgage Corporation, including the benefits that have accrued to owners or borrowers through the mortgage interest reduction program as well as the subsidies that are available to individuals who have those mortgages and have incomes below a certain level.

#### **Mercury Contamination in Fish** (continued)

MR. BRADLEY: Mr. Speaker, I want to supplement an answer I gave earlier in today's question period to the Member for Little Bow. We've been monitoring, and have data on, mercury in Alberta rivers for over 10 years. The mercury content is extremely low, usually below the detection limit of .02 parts per billion. The Alberta surface water quality objective for mercury is .1 parts per billion.

### **ORDERS OF THE DAY**

MR. SPEAKER: Might we revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

#### **head: INTRODUCTION OF SPECIAL GUESTS** (reversion)

MR. HORSMAN: Mr. Speaker, southern Alberta is well represented by mayors today. Along with my colleague from Lethbridge West, I would like to extend my congratulations to the Mayor of Lethbridge on his recent birthday.

I would like to take this opportunity to introduce His Worship Mayor Ted Grimm of Medicine Hat. Would the hon. members please recognize him in the members gallery.

#### **head: COMMITTEE OF SUPPLY**

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Would the Committee of Supply please come to order.

#### **Department of Consumer and Corporate Affairs**

MR. CHAIRMAN: Does the hon. minister wish to make some remarks?

MRS. OSTERMAN: Thanks very much, Mr. Chairman. I do have a few remarks before answering questions from hon. members, mostly to reflect on the past year and to note that it's been a very challenging year for the department. Our department, like every other of government, has been trying very hard to streamline operations and put ourselves in line with what's happening in the private sector and, all the while, also trying to react to the changes in circumstances and the requests by the public in terms of the service we deliver.

I want to acknowledge the hard work that has been done by the department officials, right from our staff here in Edmonton through to the various regions, and also to say that that work has been recognized by a good many people across the province. It's heartening to note that a lot of very congratulatory letters cross my desk and, hopefully, from time to time cross the staffs' desks also.

I'd like to make a couple of comments about some of the issues that have been dealt with by the department over the past year. I think one of the first ones that came up last spring was the interest rate on damage deposits. Thanks to some work done by the hon. Member for Calgary North West in introducing this subject to the Legislature and then piloting the government Bill through, as of last fall we hopefully have in place a better mechanism for addressing the interest rate issue on a less formal basis: by an order in council as opposed to legislation. We hope that will give us the ability to react to changing conditions as they may occur from time to time. That ability was not there before.

The education area was also very busy, Mr. Chairman. The booklet called Taking Charge was promoted last year, in light of the issues the public was having to handle, especially on a consumer basis. Approximately 100,000 of those were distributed across the province and, of course, an untold number of other publications in the education area, all with a view to assisting consumers to make better decisions in the marketplace. I think that probably illustrates the thrust of the department, in that we would like very much to have assisted consumers in disclosures of various kinds so their judgments can be made on much better information. It's not the department's view, and certainly not the minister's view, that we should be in a position of supplanting our judgment for the consumer's. In most cases we'd want to recognize that, given appropriate information, the consumer is going to do a far better job.

Mr. Chairman, the whole area of disclosure, not only last year but in the future, is certainly of great concern, particularly to me. The kinds of queries that have crossed my desk with respect to the things consumers have gotten into, both as purchasers in the marketplace and as individuals either making deposits or entering into the business world — I guess it's fair to say that they really haven't been as equipped as they could be. That relates to the lack of people's realization. I guess, that when they're embarking on an investment, they need far more

information. Unfortunately, even when they've had that information, either they haven't read it or it hasn't been properly understood.

That sort of leads me to my next point. I really believe that the terms used by the investment community and by deposit-taking institutions are so similar in nature that it's obvious those people dealing with both those areas have been confused. I am hoping the paper we produced last fall asking for observations on a number of areas dealing with both those types of institutions will produce some suggestions that will be useful to the marketplace with respect to how we might develop plainer language for investors and depositors and what possibility there is for further legislation and if in fact it's needed.

Another area that was of great interest to us last year, and in an ongoing way, was our assumption of responsibility for Class A fairs. I had the opportunity to visit a number of the fairs, their facilities, and the boards across the province and, at the same time, meet with a number of my colleagues who have a great interest in those fairs. On a regional basis, those organizations are serving their communities in a tremendous way. They have very large facilities attracting not only agricultural shows but trade fairs of various natures. I think it's also fair to say that I found, to my delight, that the boards are hardworking volunteers and very deserving of the support of the members across the province, particularly in rural Alberta and, of course, in the two major metropolitan regions of Calgary and Edmonton. We look for an ongoing co-operative relationship with those boards.

Through our budget, the department is in a very good position to continue very extensive financial support in terms of lottery rebates on the profit rebates to a couple of the major fairs, the lottery grants that were given to the smaller Class A fairs on a one-time basis and, of course, the pari-mutuel tax rebates with respect to both operational and capital grants. With that is also the maximum of \$100,000 per fair for their agricultural activities. That's on a maximum basis, depending on the amount of agricultural activity they have had with their particular fair.

The other major area that occupied a tremendous amount of time beginning last June and working right through the winter until January, when we had the announcement, was the lottery profits review. Mr. Chairman, that review and the announcements were extremely well received right across the province. I think it's fair to say that there's a great expectation out there — one that we can't meet — with respect to the amount of dollars that were requested by some 583-plus organizations across the province. That information comes by way of the actual briefs presented to us and the various types of suggestions contained in some 3,000-plus letters that came to us.

The only sort of down note on that, Mr. Chairman, is the federal/provincial agreement that's been in place for a number of years and that deals with the distribution of lottery profits by the provinces across Canada. Our responsibility for them is now in question because of activities of the federal government. Until we know precisely how that shakes out, I'm afraid the dollars that may flow in lottery profits may be in question. Hopefully that issue will be resolved in upcoming months.

Mr. Chairman, that basically highlights. There are many, many issues that are very important to us, as they've been related to us by people and businesses across the province. I'd be delighted to entertain questions.

MR. WEISS: Mr. Chairman, I appreciate the opening remarks by the minister, and I would also like to refer to what she refers to as "highlights". Perhaps I as the Member for Lac La Biche-McMurray could take the opportunity to review what I call

some highlights and some disparities and inequities that I see happening in our particular area.

Perhaps the minister could address the issue under Vote 1.2.4, where I note that the Fort McMurray regional office is the only office in the estimates showing a decrease comparable to '83-84. It will actually be operating at less dollars than it had in previous years. The reason I bring that up, Mr. Chairman, is that I'm quite concerned. The Consumer and Corporate Affairs office in the region plays a very important role in our community. I've had the opportunity of working with them. The people are very dedicated, they're needed, and they serve the area well. When I start to relate that to others, I see that Lethbridge, Peace River, and other communities, some of which are a quarter to half as large, have much larger budgets. I'd like to know the reasons. Unfortunately the members from the community aren't here and aren't raising those concerns. I might point out to the minister that they in turn have not brought them to me personally. This is my observation. I would certainly like to defend the overall department and the work they're doing.

I would also like to bring attention to another issue that's similar to the item of discussion, and that's the annual report just filed by the hon. member. I'd be more than happy to provide her with one, but I see she has a copy. She always comes well prepared, Mr. Chairman. If you note under Table 2 on page 22, it lists the number of insurance agents licensed. I'm very concerned that I can run down the list alphabetically from Calgary to Edmonton and right through to Drumheller, but I find that the city of Fort McMurray is under a group called "Towns, Villages and Non-Residents". Mr. Chairman, I take great exception to that, and I'm sure the minister would like the opportunity to respond because of the fact that we have a great number of insurance agents represented.

If she looks back to page 18, the same thing is applicable to the number of real estate agents and salesmen. Without making any comparisons, I note some other cities in the north, the other particular urban communities — Grande Prairie lists 10 agents and 64 salesmen, and so forth. The city of Fort McMurray is once again grouped in "Towns, Villages and Non-Residents". We would exceed those numbers. I think we should be specifically included in future, and I would appreciate the acknowledgment of same.

Referring back to Table 3 on page 22, somehow or other the number of insurance adjusters licensed — two — is listed. So maybe somebody has just erred. It's only a little matter, and I don't mind poking a little fun at the minister in that regard. It's just that I feel that when the people look at it, they say: hey, we're a city of some 35,000; why aren't we included? It took us a long time to get on the road map and, now that we're there, we sure don't want you to take us off.

I would particularly like a response with regard to the overall budget of the department. I have a lot of concern with the growth, the expansion. The minister is aware that we just recently announced some \$35 million for further expansion in the community. There'll be a great amount of growth yet — not rapid growth but steady growth. We need to look at expanding the department, not decreasing or cutting back.

I'd appreciate remarks to those questions, Mr. Chairman, and thank you for the opportunity of requesting same.

MR. PAPROSKI: Mr. Chairman, the Department of Consumer and Corporate Affairs has assisted many Edmonton Kingsway residents and I know will continue to provide my constituents with excellent direction, assistance, and guidance in many, many areas.



I'd like to especially stress the minister's initiatives in the lottery review that will now, and for years to come, provide many volunteer groups and individuals with funding. I understand — and the minister alluded to this somewhat in her opening remarks — that over 1,000 submissions were presented to her review committee. I know it has been streamlined tremendously, and the population of Edmonton Kingsway is surely looking forward to further information about the lottery scheme.

On a second issue, Mr. Chairman, I note with interest a 4.5 percent decrease in consumer education spending. I know the minister has had to take some initiatives in trimming and streamlining her budget, but I would caution the minister to not let up on the philosophy of communicating with residents of Alberta about the number of consumer issues that are currently in Alberta and about the number of publications her department produces.

I'd like to allude to just three or four of them if I could. Of course she has referred to Taking Charge of your money, which is a tremendous publication that I hope all members have read. It's extremely comprehensive, and in this day and age in Alberta I believe it's a very, very valuable piece of information for citizens.

Another one is called Moving Out, which is a self-help guide to the pitfalls and pleasures of going out on your own. Mr. Chairman, I know the value of this for high school graduates and postsecondary students who are striking out on their own to set up an apartment, purchase a car, set up budgets, et cetera — just a tremendous document. I hope that will continue.

A third piece of information that's proven very valuable to elementary students is called Cosmic Coinship. It's learning about allowances and money. It's a game; it's a booklet. It's got all kinds of tips and suggestions, et cetera, for young people on dealing with money — an extremely valuable production. I hope the minister will continue to produce these documents.

I'd also like to stress that there are a number of other publications coming out of the department covering so many areas. Again, I think the public is demanding and requesting more and more consumer educational types of materials. Booklets such as "Auto Repairs and Estimates: Consumer Be Aware", "Co-operatives and Housing", "Funeral Practices: A Guide for Consumers", "Hiring Someone To Do The Job? Buyer Beware", "Inspecting a House", and on and on. Mr. Chairman, I praise the minister for the production of these materials. With that reduction, I only hope that they will continue.

I ask the minister if indeed she has done any surveys or determined from the public the value and need for some of these publications. I know that in a couple of them there is a return request as to the feeling, the tone of the people that utilize them. I think it's extremely valuable if we can determine whether these things are indeed being used or are just being produced and distributed and are gathering dust on the shelves.

Thank you, Mr. Chairman.

MR. NOTLEY: Mr. Chairman, first of all I'd like to say that I think some of the booklets prepared and the commercials on television with respect to consumer education have been quite useful.

However, Mr. Chairman, in discussing the estimates of the minister, I'd like to deal with the question of consumer education as it relates to the problems we've encountered recently on the Dial Mortgage question. One of the more troubling examples I've had brought to my attention — and I say this to the minister with respect — is a constituent who stands to lose a good deal of money in the whole Dial Mortgage fiasco. Before that constituent decided to get involved with the company in

1979 — and I believe I am accurately reflecting his comments to me; I don't have them right to the letter in front of me; I'm going by memory — he contacted Consumer and Corporate Affairs about this particular company and was told that the investment was a good one. Of course he is now wondering, given the sad situation facing those people who got involved in the Dial Mortgage affair.

Mr. Chairman, that really raises in my mind a question as to what kind of information we provide to prospective investors through government agencies. It seems to me that one can say "buyer beware" all one likes, but it's not an imprudent move for a farmer, in this particular case, contacting the department as he did, receiving information from the department, and then finding that that information was incorrect. I guess we can all have great hindsight and not such hot foresight, but we are nevertheless providing funds for a department which has as at least part of its mandate consumer education and consumer protection. I really raise that issue because it disturbs me somewhat.

I look at the estimates this year and see that we're going to be cutting back in the area of consumer education. I look at business registration and regulation. There'll be an increase in registration and regulation of businesses but a drop in the registration and regulation of financial institutions. I note as well almost a 1 percent drop in the regulation of the securities markets. I think that is important when one looks over some of the history with respect to what happened in the case of Dial Mortgage.

Mr. Chairman, I'd like to take this opportunity to perhaps raise with the minister some of the questions I put on March 23, 1984, with respect to the unfortunate Dial Mortgage case. It seems to me that one option the minister might well consider would be to ask the Ombudsman to investigate the operation of the department with respect to departmental responsibilities relating to Dial Mortgage claimants. I think we have the example of Ontario and the so-called Re-Mor mortgage affair which I gather was referred to the Ombudsman in that province. On the 28th, the minister indicated she would have to give that some consideration. As we study the estimates of the department this afternoon, it might be useful if the minister can bring us up to date on what consideration she has had an opportunity to give it in the last two weeks.

Mr. Chairman, one of the things that disturbed me as I gathered information on this Dial question is what appears to be a real problem not just in the prospectus — we won't get into that at the moment; I think that will be better discussed when we get to the Attorney General's department. What disturbs me is the way in which Dial responded to the request from the Superintendent of Insurance asking that client advances be held in trust. From looking over the information that has come out in the testimony in the court case, it would appear that instead of that money being put in trust, as the officials of Dial indicated it would be, in fact it wasn't. We then had a situation of almost a year dragging by before the government decided to take a tough position. During the course of that year, we had a number of Albertans who fell into the trap of investing in that particular company. I'm not sure whether we are arming our department with sufficient personnel as well as the legislative muscle to be able to protect people in this province. I'm well aware of the difference between money that one invests in an "if you win, great, and if you lose, too bad" sort of risk-taking role and in a trust.

Mr. Chairman, it seems to me that when the Superintendent of Insurance says that cash advances should be put in trust, there's a very real problem if they aren't. It seems to me that we as a Legislature have to be concerned about it, and the

minister in particular has to be concerned about it and has to deal with it in some detail. I may have some additional questions, but I raise that because I feel this issue is really one of the most important ones before the Assembly during the spring session of the House.

I'd like to ask several other questions. What developments can the minister report with respect to the Securities Commission investigation into Dial Mortgage? Perhaps the minister could share with the committee the terms of reference on the investigatory powers. What is the commission supposed to investigate, and what happens thereafter? I'd like to know, Mr. Chairman, if we can have a report on that particular matter. I pose those questions generally at this stage; I may have supplementaries thereafter. But I think that what is at stake in the issue of Dial Mortgage is not just the question of the administration of justice that has been posed in the public domain. That is an important element, but this afternoon as we address the Consumer and Corporate Affairs estimates, what is very much at stake is the way in which we fund and the government administers consumer protection in this province. We also have to include investor protection in consumer protection. There are very few places I can travel in this province where I don't have somebody come up to me and say, I had some money in Dial Mortgage.

We've had some problems with other operations, other concerns in Alberta. I recall quite vividly, Mr. Chairman, in 1973 — you were in the House at the time — when a group of investors who had lost their shirts in an outfit called Cosmopolitan Life Assurance Company came to Mr. Henderson, who was Leader of the Opposition at that time, and myself as a member of the House. A number of questions were raised and, if my memory serves me correctly, we eventually ended up with a public inquiry. As a consequence of that public inquiry, certain charges were laid. I'm not sure whether we learned as much in the process as we should have in order to protect Albertans.

I guess what I'm as concerned about as the many Albertans who have lost money and whether the government is prepared to look at some form of compensation, is whether we learn from the Dial case and whether we not only put in place changes to the Act — and there have been subsequent changes in legislation; I acknowledge that — but properly fund the department so we don't go through that type of fiasco again.

I leave those questions with the minister, Mr. Chairman, in the hope of initiating discussion, and I may in fact be following it up with additional comments and questions.

**MR. McPHERSON:** Mr. Chairman, I appreciate the opportunity to participate in the estimates of the Department of Consumer and Corporate Affairs. In doing so, I would like to initiate my remarks by thanking the minister for the exceptional work she has been doing in the past year and a half or so as minister of this portfolio. We in Red Deer have had a number of opportunities to have the minister in our presence on a variety of occasions and for a variety of reasons. On every occasion she has been energetic and most pleasing to have in Red Deer, and we thank her for her continued activity.

Today I want to raise a couple of points on a couple of areas of concern that I have, Mr. Chairman. But I'd like to start off on a positive note, and the positive note is the recent good news that the Westerner Exposition Association in Red Deer received by virtue of the redistribution of the lottery funds. It was a distinct pleasure of mine to be able to participate not so long ago in a board meeting of the Westerner and to present that board with a cheque for \$417,000 as a payment from the redistribution of the lottery system. That cheque enabled the

Westerner Exposition Association to completely retire all of its outstanding debt, and it was very, very much appreciated by the Westerner.

Mr. Chairman, I think the minister will well recall participating with me on a podium at the opening of the relocation of the Westerner about two weeks after I was elected. At the risk of taking a little bit of the time from the estimates this afternoon, I can't help but seize this opportunity to pass on to other members what I thought was a rather humorous situation at that time. I think it was about the second week I was elected, and I was asked to make a presentation on behalf of the Minister of Agriculture. The Minister of Consumer and Corporate Affairs asked me if I was nervous, and I said: wouldn't you be nervous if you had to make a presentation on behalf of a Minister of Agriculture with the name of Fjordbotten. I hadn't met the gentleman at that time but of course have since been able to, and he is a truly fine representative of agricultural interests in the central Alberta area.

Mr. Chairman, one comment with regard to the Westerner. The minister is well aware of the continued campaign I have made on behalf of the Westerner, which falls under her jurisdiction, in terms of providing needed facilities for the Westerner in Red Deer since its relocation. I must say that at this time, particularly in relation to the comments I had to make in the first speech I made in this House this year, all members must recognize the need for restraint. I implore all members to sing from the same songbook in the need for restraint at this time.

I simply ask the Minister of Consumer and Corporate Affairs to continue her efforts as chairman of a joint select committee of cabinet that has been designated to communicate with the Westerner board and members of the city of Red Deer with regard to possible funding assistance over the long term for the needed facilities at the Westerner. To my mind the exposition association in Red Deer is clearly on the threshold of tremendous opportunities to become one of the major agricultural showcases in Alberta. It has tremendous potential to attract much-needed tourism and industry to Alberta. Again, I simply implore the minister to continue her important communication, which has been well established with the joint committee of the city and the Westerner, in discussing possible future funding mechanisms for a colosseum and other needed facilities in Red Deer.

Mr. Chairman, I would like to make a couple of comments on my view of what is happening in the private sector vis-à-vis the Department of Consumer and Corporate Affairs. While I certainly agree that in this day and age we must all be very concerned about ensuring that consumers in the marketplace are provided with ample information and full disclosure on the purchases they make of commodities and goods, I implore the minister to take serious consideration of what is happening in the marketplace in terms of the regulation of small businesses through her department. It has been brought to my attention on many, many occasions that small businesses feel they have been harassed, I suppose is the word that best describes it, by people involved in the Department of Consumer and Corporate Affairs over the way they conduct their businesses. I say that not in a pejorative sense. I certainly don't want to indicate — there is a need to provide consumer protection. On the other hand, Mr. Chairman, it certainly is clear that in these times it is equally important that small businesses have an opportunity to flourish and not be subjected to the opinions and recommendations of people in the civil service who may interpret some areas of legislation differently at different times. I had intended to describe today a number of instances that I am aware of, but I will forsake that because I don't think it's necessary. I think my point is well taken. I think the minister understands that point.

One other area that I would like to raise with the minister, which has been brought to my attention by constituents of Red Deer, is this whole area of security deposits that are not protected in the event of the foreclosure of an apartment building or a shelter dwelling. I must commend the minister on her conscientious effort in trying to arrive at a satisfactory solution to this very, very complex problem. I would also say, at least on my part, that it strikes me that there are very few, if any, easy answers to this problem. There must be a balanced approach if we are going to try to protect consumers of apartments, renters, in an area where frankly the shelter industry is struggling and undergoing very serious difficulties.

A number of suggestions have been proposed, not the least of which is a trust agreement or a trust fund arrangement that the minister has been requested to establish. I fully recognize the difficulties that could be incurred under that kind of arrangement, not the least of which may be a burgeoning new bureaucracy that I don't think our taxpayers would be prepared to become involved in at this time. I am told that in the province of Ontario, which has trust accounts for the protection of security deposits, the bureaucracy needed to operate that trust fund numbers greater than 40. In addition to that, it is my understanding that there are a variety of ways to circumvent trust funds.

The other recommendation has also been the Ontario experience where they have an arrangement that a renter would pay the first and last months' rent. It strikes me that that kind of arrangement will always fall back on the consumer. Without any question, the marketplace is a buyer's market at the moment. There are a great many instances at the moment where security deposits are not even being required by landlords. I think renters can find all sorts of circumstances where they can rent apartments and negotiate very low or indeed no security deposits. If a landlord is required to make the last month's rent part of the security deposit, certainly all landlords would automatically have to charge that rent, and that of course would fall back on the consumer. So there are no easy answers.

One that the minister might want to comment on and perhaps consider is the idea of establishing a voluntary assurance fund for protection of security deposits. I could envision a mechanism where a prospective renter might be prepared to pay a small insurance fee to guarantee that in the event of the foreclosure of a dwelling, the security deposit would be protected. I am philosophically bent toward that idea because (a) it would be voluntary and (b) it would be run by the private sector.

Those are some of the areas I want to touch upon, Mr. Chairman. I conclude my remarks by again congratulating the minister on the extraordinary effort she puts into her department. I look forward to her remarks.

MR. NELSON: Mr. Chairman, I have a couple of questions. I guess I'll form the opposition today. I would like to concur with the remarks of the Member for Red Deer. I think the minister is extremely hardworking and is doing an admirable job in her portfolio. At the same time, I would like to ask some questions relevant to a couple of areas. First of all, with regard to real estate trust funds, especially in light of Cowley and Keith's demise a year ago and the many dollars that were lost by real estate salesmen in that company, what has the minister in mind for the future, if anything? Are we going to develop some protection for real estate salesmen's commissions when they are put in trust funds? With the demise of a company, of course they disappear, and those people that have been out working very hard lose the income they have earned.

There are just a couple of areas. I notice that in general terms the number of permanent full-time positions in the depart-

ment has decreased by a few. With the reduction of people, I would like to ask how it is that the manpower costs have apparently gone up what appears to be somewhat substantially in a couple of instances in the larger book. Possibly you could also run through the increase for the comparable area in the requirement for the area of business registration regulation for 1983-84.

Those are basically the only questions I have, and I look forward to the minister's replies. Thank you.

MR. KOWALSKI: Mr. Chairman, the Department of Consumer and Corporate Affairs has greatly assisted my constituents over the past year. I want to say thank you to the minister for giving positive direction to her people, particularly in her Edmonton regional office that responds to and takes care of the concerns my constituents have had on a number of occasions. In particular, I want the minister to know that I am extremely pleased with the efforts of the gentleman who works as her regional director, Mr. Pat Brennan. On a number of occasions, I have referred his services and the services of his office to my constituents, and I've had nothing but positive feedback in response. In talking to Mr. Brennan, he has not hesitated to inform me that that's the result of the positive direction being provided to their office by our Minister of Consumer and Corporate Affairs.

Thank you.

MR. CHAIRMAN: Does the hon. minister wish to respond now?

MRS. OSTERMAN: Thank you, Mr. Chairman. I appreciate some of the kind comments and the questions that have been raised by hon. members. It gives me an opportunity to highlight some of the activities of the department and, more importantly, a number of the questions that are so important for us to address. We all know there are two sides to every issue, and I can't think of any department that illustrates that point more than the Department of Consumer and Corporate Affairs.

If I could just go in order of the comments and questions that were raised, Mr. Chairman, we'll start with the hon. Member for Lac La Biche-McMurray. He raised a couple of items. I will say that all of us stand thoroughly chastised at not breaking out the great community of Fort McMurray for recognition in a number of those tables. Unfortunately I can't tell the hon. member why we were able to break out the community for a statistic in some cases and not in others, but I will undertake to get the answer to that.

In terms of the budget for the Fort McMurray office, the hon. member may know that a housing subsidy had been in place. That situation has changed to some degree over the past year and will for the upcoming year. With that subsidy being reduced and also the amount of travelling that's now required for the Fort McMurray area — the staff of course has not been reduced, but those components of the budget have. For the hon. member's information, I believe that looks after the two main things that have resulted in that decrease.

The hon. Member for Edmonton Kingsway raised the education area particularly. I'm delighted to hear his comments, because that's very important to us. He remarked about the slight decrease in budget. This is in the head office administration, not in the delivery of material. I know the hon. member will take note of that and hopefully be satisfied with that explanation. It's certainly not our intention to cut back on the amount of information that's available to the public, although it certainly strains us to stay within the budget allocation. In terms of our priorities, I think it's fair to say there would be other

areas that would have to find further ways of streamlining their operation before we would look at reducing the amount of educational material that is available to the public. As far as my understanding now, the information related to me — and there may be more available — there hasn't been a formal survey with respect to how the materials have been used, only that most of it is supplied on a request basis. I think it's fair to say that on that basis the information would certainly be utilized by those individuals making the request.

The hon. member commented on the various publications that are available and, if you look at the heading on the publication list — "Helping You Help Yourself" — I think that signifies very well the philosophy utilized by the department in their services to the public.

I thank the hon. Member for Red Deer for his kind comments. I have certainly had some very good visits to his community. Not only that, in terms of several speaking engagements, I have received comments, albeit critical, from business organizations and so on that have really been of assistance not only to myself but in terms of relaying those comments with respect to how we're operating in the field to the staff in Red Deer and to our administration.

The hon. member is of course unceasingly promoting his community, and rightly so. It's a very energetic community and has great aspirations with respect to facilities. If we take a look at the Westerner and their plans, I think what's very important about the board of the Westerner and the city council is that this is a co-operative effort. It's very important for municipal governments to be working with their volunteer community. We have examples around the province where that has obviously been the best route to go and has provided citizens with facilities at the most reasonable cost. By having that volunteer component, citizens have probably got more of the facilities they want and basically need. Red Deer is certainly an example of that.

I will just briefly touch on his comments with respect to security deposits. That's certainly an outstanding issue. I think he quite properly noted that in our view, without getting into excessive administration, probably far more costly than any dollars that have been lost in security deposits across the province, there is no real, tangible way of our being secure about the additional administration that would be required to get into the trust account thing or a number of other ideas that have been pursued. Certainly the hon. member has raised the possibility of getting into insuring those deposits, and that's worth while exploring. There have been a couple of organizations that have raised that and have undertaken to look into that particular idea. I'll be looking forward to getting information as to its administrative possibility and obviously the cost-effectiveness of that sort of insurance.

While I'm on my feet addressing the hon. Member for Red Deer's comments, the balance in the marketplace with respect to those organizations I met with, that I initially started to comment on — with respect to our regulation, regulation that we're hopeful is only laying a standard for the operation of the marketplace, the business community's comments in terms of the heavy hand are of course on one side of the spectrum. On the other side, we have the consumer organizations in the province, citizens at large, saying: we wish you had more regulation; while we may not be talking about large numbers, we wish you had a greater hammer to rectify the instances where the consumer has been taken advantage of by somebody who has an unscrupulous operation in the marketplace. So the balance is a fine one. I'm not sure how we tell if it's being achieved, but we're trying our best. With information coming forward, not only from consumer organizations but from those people

who are directly regulated by the department and the various pieces of legislation and our assessing that on an ongoing basis, hopefully we'll continue to address the issue and make changes where it's necessary with respect to the marketplace and how people are doing business and the new ideas that will be coming forward. As I said, with that kind of co-operation, hopefully we'll continue to do a fair job with respect to that regulation.

The hon. Member for Calgary McCall raised a couple of comments about particular figures in the budget. I think I can make this basic comment for the hon. member's information. The large component in any one of the items that deal with regulation — there are large numbers of people in those various areas, and the wage settlements from the past year are now of course incorporated into this budget. Those are basically the increases you see in the categories throughout the various areas, particularly business registration and regulation.

The arrangements the hon. member spoke of between salespeople in the real estate industry and those agents who are operating the realty firms were, in our view, precisely that; they were arrangements between the salespeople and the real estate firms. It is not the intention of our department to get into specifying how those arrangements should be made or how moneys that flow between those people directly involved in the business, working with one another, are safeguarded. I think there are a number of the sales personnel in the industry itself who have looked at possibilities as to how they might, in their own organization, better speak to facilitating the safeguarding of the funds that are rightly theirs with respect to real estate transactions that they have seen to fruition. Unfortunately there are a number of instances — and the hon. Member for Calgary McCall cited the one in Calgary — where there have been fairly large dollars lost by real estate salesmen, in terms of their commissions not being paid due to a bankruptcy on the part of the real estate firm. But for the hon. member's information, as I said, unfortunately we do not see any regulations that would be suitable with respect to getting into business arrangements between the industry and the sales people.

I acknowledge and will certainly make sure — with respect to the hon. Member for Barrhead's comments about the activities out of the Edmonton region, I think it's fair to say that we have those kinds of comments right across the province. I know our regional director of that office will be pleased to hear that the services provided by the office have been more than adequate for the constituents of Barrhead. That information will certainly be provided to that regional director.

The hon. Leader of the Opposition made some comments with respect to a particular situation; that is, the Dial situation. I'd like to make some general observations, if I might. When dealing with one particular case — and it is true that the Securities Commission now has an investigation under way in terms of their legislation and what appropriate measures, if any, should be taken with respect to that. It is not appropriate for me to comment on the Dial situation, as that and other matters are still before the courts.

The first comment that really troubled me was — and I would just make this again on a general basis — that there may be people getting counsel about a particular investment. It is not the policy of the Department of Consumer and Corporate Affairs or of the Securities Commission to be counselling the public on the appropriateness of any investment. It is just not our policy, nor would I consider that it would ever be the policy of any government department, to speak about the appropriateness of an investment. That is entirely a judgment to be made by the public in terms of their individual ability to invest and the appropriateness of the investment to their needs. Certainly when we speak to the investment dealers who are oper-

ating across the country, those dealers have a fund — at least with respect to the investment houses that are giving advice; I'm now talking about the private sector that gives advice. If the public is going to be in a loss position, if you will, because of the activity of one of those investment houses, that fund will see that that individual is made whole. So there hasn't been a problem in that regard.

I certainly should ask the hon. Leader of the Opposition if there is an instance that has come to his attention where an individual has somehow believed they've gotten direct counselling about the appropriateness or the validity of a particular investment, as opposed to just providing information by way of a prospectus or informing the public that a prospectus is available. I would certainly like to know about that. I'm sure the Securities Commission would also be very interested in that information.

Mr. Chairman, the hon. Leader of the Opposition raised some questions in March with respect to what, if anything, I as minister might undertake to do in looking at the conduct of officials, what might have occurred that was appropriately addressed by the minister or possibly by the Ombudsman. I can only say that while the issue is before the courts and until I have had all the available information put before me, it is not my intention to be commenting on what may have occurred, nor would I comment on the ability of the Ombudsman to intercede at this point in time. It occurs to me that if people in the public had a concern and believed the Ombudsman was the appropriate person to investigate this area, I am sure they would have asked the Ombudsman for advice, and the Ombudsman may well have commented in that area. I do not have that information.

Mr. Chairman, I can't speak to when the information in terms of their investigation will be available from the Securities Commission. There are a number of things that can occur as a result of that investigation, that deal with remedies or sanctions under the Securities Act. For those people who may be cited in an investigation, it may in the future involve cease trading orders, denying exemptions, even bringing forward information with respect to possible criminal charges. But at this time, with the courts dealing with some portions of this matter and the commission having the investigation under way, I'm not in a position to give the hon. member any more advice.

MR. NOTLEY: Just a couple of comments. This particular issue is a very difficult one, and I hope those matters presently before the courts are resolved quickly enough so the public interest can be served by one of two courses. Perhaps I'll raise this again when we get to the Attorney General's department, but I would say that there are, in my view, two routes that public policy should consider. One is a properly called public inquiry into the entire issue, rather than little bits and pieces of it that get to court. That's one route. The other is to follow the course adopted by the Conservative government in Ontario, in which the Ombudsman was asked to investigate the Re-Mor case. As I recollect that particular instance in our province of Ontario, the conclusion of the Ombudsman there was that the losses of the investors should be picked up approximately one-third by the provincial government, one-third by federal officials, who in the Ombudsman's opinion had not carried out their responsibilities properly, and one-third by the investors themselves on the basis that the buyer or the investor should beware.

Mr. Chairman, I am not prejudging what an Ombudsman's review or a judicial or public inquiry review of this case would bring, but I think it is important that we attempt to clear the air as soon as possible. There are two reasons, Madam Minister,

why I think we have to clear the air. The first is to ensure for the public in Alberta that justice is not only done but is seen to be done, and that if there are serious problems with the administration of certain Acts, then those problems have to be properly evaluated by some third party, be it a judge or the Ombudsman. That's the first reason.

The second reason is that it seems to me that our job as legislators is to address changes in legislation, modifications in the budget, from the perspective of experience. We've had one rather sad experience in the case of Dial Mortgage. There are a number of other problems one might cite. It seems to me that it is a mistake for us as legislators to sidestep in any way — and I'm not suggesting the minister is attempting to do that — whatever the ultimate results of this issue may be, because it is from the experience of the past that we can make better laws and strengthen our administration of those laws in the future.

Mr. Chairman, those are the two commanding reasons why I hope that some third-party review of this matter will be conducted as quickly as possible, with the minister taking the initiative. Some of the other items — a prospectus, the question of the appointment of the former president to the deputy minister's position — are inappropriate for me to raise with the Minister of Consumer and Corporate Affairs. I intend to raise them when we get to the Premier's estimates, which is the proper place to raise them. But on the matter of the public policy that both the minister and I have been discussing, I would hope — I'll just leave it at that at this moment; I don't intend to prolong the debate — that as soon as possible we can have some move in the direction of clearing the air and then perhaps even a white paper, although that's something which the government will want to assess on where we go from here in the future.

MR. CHAIRMAN: I think the hon. Member for Calgary McCall wishes to be heard again.

MR. NELSON: Thank you, Mr. Chairman. I don't want to pick on the minister, but she has broad shoulders.

I want to get back in with regard to the real estate trust funds. I know it's an historical event to some extent, but we never know; it can happen again. We tend to want to protect a consumer the best way possible, yet when people have their incomes removed from them, we don't tend to want to protect them too much.

When the deposits must be placed into trust — and I believe the law of the land is that deposits from a consumer purchasing a property must be put into trust, of which part of that deposit becomes a part, if not total, of the income derived from the sale of the property to the real estate salesman — I wonder why there is no mechanism that we could place to protect that salesman in a similar fashion that we might protect a consumer in the loss of moneys through some manner. We seem to protect a consumer by placing moneys in trust accounts and what have you, yet there should be some mechanism that we can protect the income these salespeople have earned and lose due to the malfunction of a real estate operator or agent who uses those funds, of which only a portion belongs to the firm, for another purpose. I wonder why we can't put some mechanism in place to protect at least that portion of the fees for that real estate person who has earned them. If necessary, I would be happy to visit with the minister and maybe develop some motion. Bill, or whatever, to enact some legislation to protect them as well as we try to protect the consumer.

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

MRS. OSTERMAN: Only briefly, Mr. Chairman. I welcome the hon. Member for Calgary McCall's suggestions as to how we might facilitate this without any additional staff in the department — knowing the hon. member's propensity for making sure that things are done in the private sector. I might add that I should have mentioned the privatization of the name search area in corporate registry, which I believe is a very important initiative by the department. We believe that the community, corporate and so on, will be very well served by the privatization of this area.

To get back to the hon. member's suggestion that we look at this, I'll be happy to receive his suggestions and respond at that time.

Agreed to:

1.1 — Central Support Services	\$5,585,115
1.2 — Regional Delivery	\$4,539,175
Total Vote 1 — Departmental Support Services	\$10,124,290
 Total Vote 2 — Consumer Services	 \$642,055
3.1 — Registration and Regulation of Financial Institutions	\$559,080
3.2 — Registration and Regulation of Businesses	\$3,890,040
3.3 — Regulation of Automobile Insurance Premiums	\$124,760
Total Vote 3 — Business Registration and Regulation	\$4,573,880
Total Vote 4 — Regulation of Securities Markets	\$2,810,570
5.1 — Financial Assistance — Operating Support	3,157,000
5.2 — Financial Assistance — Capital Support	\$4,129,000
Total Vote 5 — Financial Assistance to Major Exhibitions and Fairs	\$7,286,000
Department Total	\$25,436,795

MRS. OSTERMAN: Mr. Chairman, I move that the vote be reported.

[Motion carried]

#### Department of Transportation

MR. MOORE: Mr. Chairman, I'd like to make a few brief remarks with respect to the Department of Transportation. I'd like to deal first with some policy matters regarding transportation in our province, and then deal in more detail with the 1984 budget and construction program and the manpower plan of the department.

First of all, Mr. Chairman, I would like to indicate that over the course of the last year and throughout our budgetary and construction planning progress, I've enjoyed an extreme degree of co-operation from all members of the department staff, both here in Edmonton and throughout the regions and districts of the province. I want members of the Legislative Assembly, many of whom know and work with these individuals on a weekly basis in their constituencies, to know how much I appreciate the dedication to Alberta Transportation that's provided by so many of them.

Mr. Chairman, I want to deal with a number of policy matters; first of all, the issue of signing. For many years, a lot of citizens in our province have requested that we develop a signing policy for our highways that would allow us to have communications on the highways for certain purposes that are

specific to the needs of the travelling public and to those individuals who operate businesses and farms in our province. I hasten to add that it is not my intention, nor this government's intention, to create a situation such as that which exists in many parts of the United States, with billboards one on top of the other, littering both sides of the highway. But I do want members to know that the signing program which we implemented last November has met with a great deal of success in terms of individuals responding, requesting signs for such things as golf courses, campsites, and ski hills in resort areas. We've had a lot of interest in private signing, from agricultural businesses that previously couldn't be identified along the highways, from greenhouse operations, from areas like auction marts that only want a sign up for a few days, to community organizations that want to advertise a major annual community event for several days.

So the signing policy we've developed — and I believe all members have copies of it — will in fact take the form of some action, when members will very shortly, within the next month or so, as soon as the frost is out of ground everywhere, see a lot of new signs, orderly and well designed, being placed along our highways to inform the motoring public of the opportunities that are there to enjoy themselves as tourists or to find business places that might exist.

If I could move from there to our roadside development policies, members may recall that last year I announced that we were decentralizing the roadside development branch of the department to the regions, so instead of individuals having to get permission from Edmonton for certain roadside developments, that matter is now in the hands of the regional offices and the district transportation engineers. In addition to that, we have reduced the sphere of influence of the Department of Transportation to areas that I think are essential for transportation needs, as opposed to being a second level of planning. Our interest is in ensuring that the roadside development policies do not preclude the future opportunities for expansion of the highway system — widening, interchanges, and so on — secondly, in ensuring that the matter of safety is well attended to in terms of access and egress to and from the highway, and finally, within some respects, in ensuring that the aesthetic quality of our highway system is maintained. That doesn't mean that in many parts of this province where the oil and gas industry or the agricultural industry is at work, it's aesthetically wrong to have oil and gas equipment stored along the highway that can be seen from the highway, or farm machinery stored and sold along the highway that can be seen from the highway. I think what is important is that those kinds of entities which are adjacent to the highway be kept orderly and neat. But surely the major businesses of this province ought to have an opportunity to develop along our highway system, with good planning practices that are laid down by the local planning authorities kept in mind.

I want to indicate that we have completed the major review of speed limits in this province, although there are always individual speed limits that need to be altered from time to time. With the announcement and implementation last year of the 100 kilometre per hour day and night speed limit on our major primary highways, a request also came to my office to further consider the matter of school bus speed limits. The present school bus speed limit is 80 kilometres per hour. At the request of the school bus contractors association and the supervisors association, the Association of MDs and Counties, and others, we have had this matter under consideration for the last few months. I want to advise the Assembly that it is now my decision, subject to further comment from some organizations, to implement a 90 kilometre per hour speed limit for school buses or the maximum that is in place for the particular road they are travelling on, effective September 1, 1984. I

believe that will in no way add to or cause any problems with respect to school bus operations.

While I'm on the matter of school bus operations, I should add that we recently had a very tragic accident, with the death of a small child in front of a school bus, that prompted some investigation and comment from various quarters, and I'm in the process of reviewing that. Some of the calls have come for an additional class of licence for school bus operators. We have reviewed that and believe there would probably not be too much benefit in providing an additional drivers' licence class for school bus operators, in that most often the problems associated with school bus accidents are not the driver's fault while actually driving the vehicle but problems associated with unloading, loading, supervision, and that sort of thing.

What I do believe is necessary is that there be a new, higher standard of training for school bus drivers that is implemented by school authorities and school bus contractors across the province. The Department of Transportation does have a very good training manual, and we make available throughout the province training officers who are prepared to assist school divisions and school bus contractors in setting up mandatory programs for school bus driver education in their municipalities and in providing for the ongoing upgrading that's absolutely necessary, no matter how long you've been driving a school bus. It will be my objective, over the course of the next year, to encourage every single school division in this province to adopt a training program of some rigid specifications and an annual upgrading program for every bus driver they employ. I believe that is the route to go. If we can get the voluntary compliance of the school authorities and school bus operators in doing that, I think we'll have an effective program in place to limit, as much as possible, any problems with respect to young people and accidents that may occur.

Last week, Mr. Chairman, I announced a new street assistance program, the details of which are well known by now to all members of the Assembly. I hasten to add that nine days after having announced that, I've already received applications from municipalities who are ready to go. There isn't any doubt at all that there is a tremendous acceptance of that new program and that the funds which are available in 1984 will be well taken up.

I am pleased today to announce to hon. members that I have completed the review of the organization of the Motor Transport Board and branch. In fact effective April 2, a new organizational structure of the board and branch was developed wherein the motor transport branch will report directly to the Deputy Minister of Transportation and hence to my office, with a new executive director of motor transport branch position being established. That position will be filled by a gentleman by the name of Keith Walker, who presently is in a similar position under the Motor Transport Board organization. Mr. Walker will have reporting to him five directors: a director of transport engineering, a director of transport field operations, a director of operating authority administration, a director of finance and administration, and a director of communications and training. That organization reporting to the department deputy minister will in fact operate all of the weigh scales and the administrative end of the motor transport industry in our province. It will continue to be located in Red Deer.

The board will be separate and apart from the motor transport branch, with a chairman reporting directly to the Minister of Transportation, a full-time vice-chairman, one full-time board member, and up to seven part-time board members. The mandate of the board will change in that it will relegate itself more to the major task of ensuring that people who are seeking operating authority in both the bus and motor truck industry in

our province have an opportunity to appear before it to present their case.

The board will also be charged with the responsibility of moving throughout the province as opposed to having all their hearings in Red Deer. They will move where the trucking and busing companies are. A good deal of their hearings will be held in Edmonton and Calgary, but other hearings will be held in places like Grande Prairie, Fort McMurray, Lethbridge, and Medicine Hat. Of course we will continue to have hearings at the board head offices in Red Deer.

I believe the new structure will serve the Canadian and Alberta transportation industries better than we have been able to in the past and continue to enhance the Alberta Motor Transport Board in the eyes of the public it serves right across Canada and the United States.

If I could move, finally, from the area of policy to the issue of privatization, we completed the very successful privatization of Pacific Western Airlines late last year. We've moved in a number of other areas in the Department of Transportation. I moved last year to farm out by tender the maintenance of all the roadside campsites that we have in Alberta. I'm pleased to report that the success of that program was very, very good, in that people throughout the province had an opportunity to bid on that work and, for the most part, did an excellent job.

We also moved last year to contract by tender for four-wheel drive tractors and snowplows in the improvement district area for winter snowplowing that was in excess of the normal sort of snowplowing our ID forces would do. Fortunately, or unfortunately, depending on who you are, it didn't snow last winter, so we didn't pay out too much on that program. But we did guarantee each operator who was successful in bidding some 40 hours of work, which would have paid for his insurance and a number of other things connected with an opportunity to bid.

We'll be moving this summer with contracting out most of the mowing on highway rights-of-way throughout the province, gradually disposing of and selling the mowing fleet that previously had been operated by the Department of Transportation. On a trial basis this summer. I'll have three or four areas of the province where private grader operators will be invited to submit bids on summer maintenance of gravelled roads. We think that can be one area where there's an opportunity for the private sector to improve their position relative to work in Alberta Transportation.

I've asked the department to move as quickly as it can to utilize a greater number of Alberta's private-sector structural engineering firms for structural work that the department does — bridges, grade separations, and that sort of thing. I don't envision a great opportunity for a move to private-sector engineering with respect to grade construction, base course and paving, and that kind of work, because it is quite a different engineering feat. I believe it's very, very difficult for the private sector to be able to compete with the forces that are out there now in our department, because they require district engineers, their assistants, and others throughout the province for maintenance and other work that's done.

I conclude on the matter of privatization by saying that last week, when we brought in the towns and villages program, I announced that all the work under that program would have to be carried out by private-sector equipment. At that same time. I also advised the Association of MDs and Counties that effective in 1985 we would move toward ensuring that all the work carried out by grants from the Department of Transportation to the MDs and counties should be carried out by private-sector equipment as well. I added at that meeting that I was fully prepared to discuss with them the manner in which we phase

this in and to ensure that there wouldn't be any problems with respect to municipalities having to dump equipment on the market and large numbers of people being out of work.

I think there are some very unique and effective ways in which municipal governments in this province can move toward privatization in terms of their road building equipment, allowing opportunities for people within their municipality to move with them. For example, there's nothing whatever wrong with a municipality deciding that instead of running their own string of equipment, with eight machines that belong to them with hired operators, they could go out and run that same string of equipment with their foreman and their surveyor but hire private-sector equipment. It may well be that many of those people that have been operating those machines for years would be only too pleased to buy a D-7 Caterpillar tractor and a scraper from the municipality, look after it, maintain it, and put it back to work for them on an hourly basis, and thereby create an opportunity for another business person to have a viable business in those municipalities.

As members of the Legislature, some of you will be hearing from the odd quarter about how difficult this new direction might be for them. I hope you direct them to me, because I can think of all kinds of ways it can be made easy and exciting. At the same time we'll have an opportunity to build our roads a little cheaper and provide the private sector with an opportunity that didn't previously exist.

Mr. Chairman, I'd now like to review briefly, if I could, the 1984 construction year and the budget that's before the Legislative Assembly, and briefly comment on the manpower program. I believe I have advised all MLAs by letter/memorandum over the course of the last couple of weeks of the construction projects the department has scheduled for their constituencies. I want to say this about the program. From the initial bids that are coming in with respect to road construction work. I believe that even with a slightly reduced budget from 1983 we will accomplish as much actual construction in 1984 as we did last year. And 1983 was a record construction year in terms of quantities of earth moved, miles of pavement, and every category you want to look at — a record year in the history of the province of Alberta for highway construction. It may well be that in terms of actual work completed, 1984 will be another record year. It will certainly be very close.

Just reviewing the budget, we have an amount of \$137 million in grants to cities in terms of capital construction. That's down slightly from the \$146 million in 1983-84, accounted for by the fact that there is a smaller amount being required for the major continuous corridor program during this particular year than was the case last year, partly because we prefunded the cities of Lethbridge, Medicine Hat, and some others, for work that will be done in the 1984 construction year. They've already received the grant for that in 1983. So again, in that particular program there will be as much, perhaps even more, work done in 1984 than there was last year.

The grants to MDs and counties has been maintained at about the same level of \$27 million, except that in both the areas of MDs and counties and improvement districts we have terminated the economic stabilization program grant. I advised the MDs and counties a year ago that that would occur. Members may recall that that was part of our economic stabilization program. The grant was first brought in at a level of \$20 million for year one, reduced to \$10 million the following year, and was phased out during the budget we're now considering. As I just mentioned, we brought in \$7.5 million for a new five-year street assistance program.

We'll be spending about \$165 million on construction of primary highways, not including highways 1 and 16 twinning,

not including the Highway 40 project, which are listed separately, at least in my notes, in terms of comparing this year's budget to last year's. The primary highway program will be about \$10 million short of the \$175 million we spent in 1983. Again, depending on how bids come in, we may do as much work as we did last year.

I'm pleased to say the four-laning program on 1 and 16 will stay on target in terms of the commitment that was made by my predecessor for twinning of highways 1 and 16 from border to border over a 10-year period. Earlier this year I said that if we were to take a substantial cut in the budget of the Department of Transportation, that would be one area that would get cut. The same holds true for the future, because the traffic volumes are down substantially on both highways compared to our projections. As I've said before, it's important that we place our dollars in the best possible place. But for 1984 we are staying on target and doing an extensive amount of work on both highways, and I'd be pleased to advise hon. members as time goes on of the details of the contracts that have been awarded on both highways 1 and 16.

The Highway 40 project between Grande Prairie and Grande Cache is on schedule. At the moment, it is probably a bit underbudget in terms of the bids that have come in. We are letting six contracts there this year to the private sector on a bid basis. We had 12 bids on the first contract that was let two or three weeks ago; I think 13 bids on the second one. They are extremely competitive, and I believe we will complete the leg of the project this year that had originally been planned for, without any difficulty at all and within the budgetary parameters that have been outlined.

The secondary road program, which I think is one of the most important programs ever brought in by our government, will see almost \$100 million this year in addition to some \$38 million under the resource roads program, which can be applied to primary, secondary, or indeed other roads that aren't particularly designated as either primaries or secondaries. That's an excellent program. I should say to hon. members that we've been laying a lot of base course on secondary roads without putting the final pavement on. We do that for the reason that the base course may stand up for one, two, three, or four years. If it does, it saves some expenditures and we can go on and base course some more. We are rapidly increasing the amount of secondary highway and some primary highway that is base coursed but not paved. One of these days, we're going to have to spend a good chunk of our budget just putting the final coat of pavement on. Members will know that most of our constituents look at that yellow line down the base course and believe that's the finished job. While it looks good and does hold up sometimes for quite a while, it's absolutely necessary when that starts to deteriorate that we quickly cover it up so we don't lose an investment in our road system.

I move just briefly to pavement rehabilitation — \$45 million in this year's budget compared to \$50 million last year. I believe that keeps us on target in terms of our rehabilitation program. There isn't any question, Mr. Chairman, that the province of Alberta leads North America in terms of rehabilitating highways and bridges. Many parts of the United States and Canada are in a situation where they spend all their money on new construction, none is set aside for rehabilitation, and the highways and bridges are literally falling apart. That's not the case in our province, and we intend to ensure that we continue to have a rehabilitation program that makes sure our highway system is maintained in the best possible shape it can be.

Improvement district road construction and construction of roads to Indian reserves will see some \$30 million expended from our budget this year, plus a substantial amount from improvement districts trust.



Mr. Chairman, if I could just conclude on the subject of the construction program by talking briefly about the airport construction program, a program that's come under some criticism from some uninformed sources throughout our province over the course of the last few months. When times are a little tough, I guess it's easy to target one single program or one single group of people and say, that isn't required. The twinning of 1 and 16 isn't required; it isn't so essential it couldn't wait a year. LRT in Edmonton and Calgary isn't required. Pavement in the constituency of Wainwright on secondary 881 isn't required. [interjections] I've got a list here — I could go right from Spirit River-Fairview down to Cypress and tell you about a lot of things that aren't required. But if we're going to progress in this province and if we're going to have an opportunity to be leaders in the field of transportation, to have an economy that can grow like it should, then we have to look at all aspects. Air travel is a very important segment of operations in our province today. Things like agricultural spraying are extremely important and will continue to get more important.

In 1974 we embarked upon an airport development program that would see us providing airport facilities throughout this province at regular intervals, to service the aviation community and those who are serviced by it. It's not just the flyers in Milk River who are being serviced. It's the 100 or so farmers around there who may take advantage of the agricultural spraying operation and have told us they intend to move in there when that airport is finished. The same applies to dozens of other airports and airstrips throughout the province. In the 1984-85 construction year, we'll be doing things like runway overlay and structural repairs — \$1.5 million in Fort Chip, and no one can deny there is a requirement there for an excellent provincial airport when that community is serviced only by air. We'll be spending \$600,000 in Wabasca paving the runway and the taxiway there; again, a community that certainly needs and deserves an airstrip. We'll be doing some grading for a new airstrip in Calling Lake. Places like Manning, Rocky Mountain House, Lac La Biche, Grande Cache, Edson, and Pincher Creek will all receive some smaller amounts of money to install visual approach slope indicator systems. In my view, it's essential that having constructed these airports and the lighting systems and so on that go with it, we now spend some time, effort, and money ensuring that navigational aids appropriate to the conditions will in fact be put in place.

Just two or three weeks ago, I got a request from the mayor of the town of Spirit River to fund a visual slope approach indicator after Shell Oil Company, who were flying into that community, said, we very badly need to have this navigational aid and we're willing to pay half the cost if the town can fund the other half. So we went into a three-way partnership and are going to have that in place very, very shortly. The town of Swan Hills is another one where we'll do that same thing. We're going to be out in Rimbey constructing a turf airstrip. By turf I mean growing grass by planting seeds, not rolling up turf in some sod farm and hauling it out there. I had to explain that to half a dozen different reporters this winter who thought we were actually going to go out and lay down sod and water it on airstrips. Of course we don't build them that way. Bashaw, Bassano, Sundre, Debolt, La Crete, Ponoka, Brooks, Red Deer, Fort Macleod, Cardston, and Rainbow Lake are all communities that this year are going to see some runway improvements, developments, lighting, or something in the airport terminal program.

I'm pleased to advise that within two years, probably by the end of 1985, we will have substantially completed an airport program that will see 85 airstrips located throughout the province, about 70 of them paved, the balance either gravel or turf,

and they will be located at intervals dispersed such that the entire aviation community and those it serves can well take advantage of it. In addition, there are about that many forestry strips located throughout the province that are utilized mainly for aircraft operations.

Mr. Chairman, the Department of Transportation has reduced its permanent staff by some 63 positions this year: 57 are department staff and show in the estimates, six more are staff who are in the equipment branch and actually appear in a revolving fund of the equipment and supply branch. I just want to indicate that of those reductions, they are balanced in terms of clerical, technical, trades, equipment operators, and management. There are 11 clerical positions that have been abolished, 24 technical, six trades, 11 equipment operators, nine professional engineers and management people, and two others that aren't identified in any of those categories. That balance is consistent with the percentages of each of those trades, technical areas, or management areas that exist throughout the department, showing again our government's commitment to ensure that it's not just the little person whose job is reduced in the annual staff reduction exercise, but indeed it cuts right across the department and takes management positions into consideration as well.

It's our objective in Alberta Transportation — and we have already developed a three- to four-year staff reduction program — to continue to reduce staff. I hasten to add, though, while the Provincial Treasurer is listening, that in all likelihood we are going to require the funds in future years where we reduced staff, because my major staff reductions, as I now anticipate them, will be as a result of our getting private-sector people to do things that were previously done by government staff. So we are going to require the funds to do that. But it is my hope, and I believe there is no question, that we will be able to do that job more effectively by getting private-sector people. I talk about the mowing, highway maintenance, and some of those areas.

Mr. Chairman, that concludes my opening remarks. I would be pleased to answer any questions hon. members have with respect to any aspect of the Department of Transportation. As I said, members have received some indication of the highway work we intend to do in our constituencies this year. I don't want all of you to get up this afternoon and make additional representations. But I would like to say that for any of you who have concerns with respect to that construction program outline or have additional comments to make, I would be pleased to entertain them at any time. My office door and my telephone are always there.

Mr. Chairman, those are my opening comments. I look forward to discussion by hon. members.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: The hon. Member for Cypress.

MR. COOK: Briefly, briefly.

MR. NOTLEY: You're not in that big a hurry, are you, Rollie?

MR. HYLAND: Mr. Chairman, first I would like to thank the minister for his co-operation in the last year for the construction that went on in Cypress. I guess, though, in a rural constituency, no matter how many miles of roads you have you're always 50 miles short. That's a fact of life. I think we should thank the minister for his assistance in the last year. We should also thank his staff and his office here in the Legislature for their assistance, for the way they work and try to help you when

you have a problem with transportation, and also the deputy minister and especially the regional office. This is one department that we can quickly get to in our regions, where decisions can be made on problem areas in the regions, and they can be acted on in a short period of time. That was one of the better moves that was made a number of years ago when we decentralized and went to the regional offices. The decisions can be made out there where people know what's happening and how it's happening to the area.

A few comments relating to highways in my area, Mr. Chairman. I would like the minister to inform the House on the matters relating to Highway No. 1 through the city of Medicine Hat, how the negotiations are going with the city and when he expects the construction to be completed on the remainder of the piece through the city. I note that in his remarks he said money was advanced to the city. I don't know if it's for that section or not. The section on the north side of the city going through Redcliff: now that we have an agreement with the town council about having part of the road remain in the existing alignment and having the remainder placed between that existing highway and the railroad tracks, I wonder how and when the minister anticipates that project to go.

I know what the remaining contracts — there is one contract on Highway No. 1 towards Highway 41. I would like to especially thank the minister for the chunk of highway that we couldn't convince anybody to build for years and years and years, that piece between Highway No. 1 and the junction of 41A, which is out for tender right now. The people who use that road are very, very pleased.

MR. KOWALSKI: Is it connected to anything?

MR. HYLAND: It is connected to an important road.

Highway 501, the Red Coat Trail: the minister has undoubtedly had letters from the Red Coat Trail Association. I wonder if he would like to make some comments relating to that highway and the request from the county about making it a primary highway, removing it from the secondary highway.

Thank you.

MR. BATIUK: Mr. Chairman, I would very briefly like to make a few comments. First of all, I would like to commend the minister and his staff. When I say "staff", I refer to department and office staff. I really believe that a lot of the minister's success is attributable to the good co-operation that his office and staff have been providing over a number of years. I really appreciate it, not only for this minister but the former ministers. There was good co-operation. When there is good communication, I think there are possibilities of attaining goals.

I am very happy that the minister has decided to continue the twinning of Highway 16 this year. Maybe it could have got by for another year or so, but when you travel down that road it seems that somebody is always passing you, either on a curve or on a hill. There have been numerous accidents and fatalities on that highway, and I am glad it is proceeding the way it is.

I am also very happy that the minister has brought out a gravel truckers policy. This was an issue that bothered members for many years. I can remember as a county councillor that when gravelling time came, that's when the problems were really created. You want the roads built, you want them gravelled and paved, but you can't haul the gravel with helicopters — to provide contracts to somebody that would satisfy every trucker. I think this new truckers policy is hopefully going to be well accepted.

I would also like to mention to the minister that I have some concerns about secondary roads. We have put a lot of priority on them. But it seems that from year to year councils change, and every time there is a change of council, there seems to be a change of priorities. When you drive through the country, you will see five, six, or seven miles of good road, and then all of a sudden, nothing to travel on. That's the change when there is a change of council, for some reason or other. I think it should be continuous. Those should probably be on a five-year program or something, so they go, if it's a secondary road starting in one place, it should go continuously, so when a person is travelling he doesn't get lost after a few miles.

These are the only concerns. I am really happy with some of the work that is going to be done in the constituency this year. I know that because of restraint, we can't have everything we would like. But I think we will live with it. Once again. I would like to thank the minister for his consideration.

MR. NOTLEY: Mr. Chairman, I certainly would like to agree with the hon. Member for Vegreville when he applauds the staff of the department. I think we have excellent people in the department in general, particularly in the regional offices.

Mr. Chairman, I want to deal with five or six items. I noticed across the way that one of my young friends from Edmonton was getting a bit impatient and calling "question". For estimates of almost \$1 billion, we have the time to do the public business. If that means a few members get a bit impatient, that's too bad.

I want to start out by saying that as I look at the estimates for 1983-84, the construction and maintenance of highways at \$631 million represents about a .5 percent drop. If we take a look at the forecast of \$706 million, the estimates we are now dealing with represent a drop of about 10 percent when you contrast this year's estimates with last year's forecast. I say to members of the committee that I really doubt the wisdom of that kind of cutback at this particular time. I think that now is the time we could in fact be moving ahead more quickly with useful capital projects. There's always a danger of getting into capital projects just to create jobs. For example, the renovation of McDougall school in Calgary is a waste of money. But on the other hand, because our Transportation Department has all kinds of projects they have engineered and are ready to go, this is one area where we can expand our capital projects, put more people to work, and at the same time get better value for our dollar.

Three or four years ago, when we had the boom, I well remember the difficulties we had when the minister's predecessor, Mr. Kroeger, was minister — the problems in the north in trying even to get bids on some of these roads, because there was so much activity in the private sector. Had we increased the budget of the Department of Transportation at that time we would not really have built many more miles of road, because the situation was so tight that all that would have happened was that extra money would have been used up in higher bids. But now that you have a good deal of slack in the private-sector economy and you have equipment and firms that are ready to bid on a competitive basis, it seems to me that this is the time to make our dollars go as far as possible. At the same time, Mr. Chairman, we make better use of our public dollars.

I don't know whether there was a minor little slipup — nothing deliberate, I'm sure — but as yet I have not received a letter from the minister outlining the projects in my constituency, I'm sure that I will in the next few hours. Let me just remind him that I think there are some projects in Spirit River-Fairview that command attention. One is the continuation of Highway 64 west of Hines Creek-Eureka River junction to the

B.C. border. We had an announcement — I'm sure it was purely coincidental — by a gentleman who happened to be the Conservative candidate, at a forum two weeks before the election, that we were going to get approximately 20 miles of paving done. It was very nice to hear that; quite a well-timed announcement, I might add. We didn't quite get that work done last year, and I trust that it will be done this year. But what I think people there are concerned about is that we complete the road, the entire Highway 64, to the British Columbia border.

I raise that partly to criticize the government in a gentle way — my criticism is always gentle and always fair, as hon. members know — but also to make a plea. With the development of agriculture in that area, you have a huge part of Alberta where, as the minister well knows, people have to truck their grain over gravel roads. We have farmland 20 miles west of the little community of Worsley, and Worsley is 40 miles away from Hines Creek, which is the nearest delivery point. They have to travel 20 miles to Worsley on a gravel road and then travel another 40 miles to Hines Creek, all but nine of it on a gravel road. Mr. Chairman, when I see the kind of furor, and I tend to agree with it, in some parts of the province when farmers might have to haul their grain 15 or 20 miles — I don't blame them for being concerned in the central part of the province, but I have constituents that have to travel many more miles than that. When they have to travel over gravel roads, they really wonder what kind of fairness we have.

So I hope that the minister will redeem the promise of his Conservative candidate in the last provincial election, not only redeem that particular promise but move strongly ahead, and let's see the entire Highway 64 completed.

Similarly, we have secondary road 733 south of Wanham; again, Mr. Chairman, an important road, a road that not only has importance for the community of Wanham and the area south of that village of some 250 people but is an artery which allows people to move from Highway 43 to Highway 49. In my assessment that road is one that has been given priority in the past. Several years ago members of improvement district council 19 were advised that 733 would be given high priority. Unfortunately that priority has not been redeemed by the department either, and I would urge that the minister give that high priority.

Mr. Chairman, there are three or four general issues I'd like to address; first of all, the question of privatization. Since the minister spoke at the meeting of the Alberta municipalities and Counties in Red Deer, I have received representation from some of our local government officials. They are not as enthusiastic about this privatization policy as the minister is or as some of the hon. members in this House may be. Municipalities that have purchased construction equipment over the last number of years have, I think, some concern about a policy in which future grants will be tied to privatization. The minister tells us that if they want advice as to how they might be able to make the adjustment, he's always at the other end of the phone. That's nice to hear. But the fact of the matter is that surely the

judgment as to whether a municipality or county uses their own equipment, sells their own equipment, or makes whatever arrangements they wish with their own equipment, is up to them. Our grant system should allow the maximum flexibility for that level of local government to make what is a sensible and prudent decision. The minister suggests that perhaps the municipalities might want to sell some of their equipment to men they've had working for them. Fair enough, Mr. Chairman, but we all know full well what is happening at auction sales in this province. It's not a good time for municipalities to sell equipment, either to private sector firms or to any individual for that matter.

Mr. Chairman, I simply say to members of the committee that before we jump on this privatization bandwagon, maybe we should look at the question of municipal autonomy and the issue of whether or not the priorities of local government should in fact be determined by local government.

Mr. Chairman, in view of the fact that I have about four other points to deal with and knowing that the hon. Member for Edmonton Glengarry especially would like to come back and hear more about rural roads, I beg leave to adjourn debate.

MR. CHAIRMAN: Is that agreed?

HON. MEMBERS: Agreed.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of Supply has had under consideration the following resolution and reports as follows:

Resolved that sums not exceeding the following be granted to her Majesty for the fiscal year ending March 31, 1985, for the Department of Consumer and Corporate Affairs: \$10,124,290 for departmental support services; \$642,055 for consumer services; \$4,573,880 for business registration and regulation; \$2,810,570 for regulation of securities markets; \$7,286,000 for financial assistance to major exhibitions and fairs.

Mr. Speaker, the Committee of Supply has had under consideration a certain resolution, reports progress thereon, and requests leave to sit again.

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

HON. MEMBERS: Agreed.

[At 5:30 p.m., pursuant to Standing Order 4, the House adjourned to Thursday at 2:30 p.m.]

