Legislative Assembly of Alberta

Title: **Monday, June 8, 1992** **8:00 p.m.**
Date: 92/06/08

[Mr. Speaker in the Chair]

MR. SPEAKER: Be seated, please.

head: **Government Bills and Orders**
head: **Second Reading**

Bill 18
Mines and Minerals Amendment Act, 1992

MR. ORMAN: On behalf of my colleague from Calgary-Foothills, who is attending to the care of her ill husband, I am pleased to move second reading of Bill 18, Mr. Speaker.

Bill 18 is basically some housekeeping amendments. The Bill has general support from the industry and contains a series of amendments. Mr. Speaker, I'd like to just briefly speak to each of them. First, the Bill allows for the assessment and imposing of pecuniary penalties in circumstances of royalty evasion. This evasion really relates to the filing of false documents or misleading information or refusal to pay royalties on time. Currently the Crown has no particular mechanism to discourage royalty payers from attempting to evade payment, and this section deals specifically with that issue.

Secondly, the Bill authorizes the making of a royalty recalculation within four years of the calendar year in which the royalty was payable. Currently, Mr. Speaker, the provision allows for four years from the end of the month in which it's due. We are extending it to the end of that particular calendar year. It's easier for everyone involved and cuts down substantially on the administration.

Bill 18 also deals with the retention of records and brings the requirement for retention of records in line with the federal Income Tax Act.

Finally, Mr. Speaker, the Crown is concerned that the issue of trespass onto undisposed Crown mineral rights is not fully addressed in the Mines and Minerals Act. At the particular time if there is drilling into undisposed Crown rights, there is not a provision that provides for compensation in the instance of trespass onto the Crown mineral rights, and Bill 18 establishes a liability for payment of compensation to the Crown when there is trespass onto undisposed Crown mineral rights. The present section allows for the Crown to seize surface installations, other installations associated with the mineral trespass, but this is difficult to administer and apply and fails to adequately compensate the Crown for its losses.

Mr. Speaker, this Bill really ensures fairness and consistency in the administration of Crown royalties, and the four-year period, as I've indicated, adds simplicity. The Bill also ensures that the Crown is financially compensated, as I referred to earlier.

I'm pleased, Mr. Speaker, to move second reading of Bill 18 and look forward to all members' support.

MR. SPEAKER: Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Speaker. Just a few comments in respect to this Bill, which, as the minister has outlined, features a number of significant amendments to the Mines and Minerals Act. It's hard at second reading to try to analyze or speak to the principles involved in these amendments as outlined. They certainly, I think, at committee stage will bear more questions in terms of the details of them.

Certainly I think the one basic principle that we can all agree on that this Bill and its amendments are speaking to is that when it comes to mines and minerals in Alberta and all of the natural nonrenewable resources of Alberta, whether it's coal or oil or gas or whatever, they belong to the people of Alberta, the Crown in right of Alberta, and in fact they don't belong to the private companies and to private interests. It's basically Crown land, and the resources thereto are of the people.

It's interesting just to have traveled to Drumheller over the weekend and to have seen through the Drumheller museum, again looking at some of the geology and geophysics of the formation of the various structures over millions and millions of years of development in this province, how we have come to be so blessed with the mines and minerals which we have that took millions and millions of years to develop. Certainly we know that we don't want to in one or two generations exploit them entirely. They're very precious, and that calls forth a sense of stewardship of and over these resources, which I think Bill 18 actually reflects and that we need to be mindful of.

The second principle, as far as I can understand, Mr. Speaker, is that this Bill and its amendments are saying that the ability to explore and to drill and to bring these resources to use as energy resources in the marketplace is really a public/private partnership, and whether it's the Crown, as the representative of the public, or the oil companies and those who drill, it's a partnership. I guess the question this Bill begs is in terms of that relationship and how that partnership or relationship is formed and takes shape.

It was interesting to me to hear the minister say upon his return from the Persian Gulf, for instance, how in many of those lands with those energy rich oil reserves that in fact there isn't nearly so much of a public/private partnership, that it's all in many respects state owned, complete state ownership and various royal families and the rest who have complete ownership and control of the development of those OPEC resources.

Certainly in many other parts of the world there are different ways in which this partnership or this bringing of the resources to the marketplace can be garnered. However, it will be interesting over the next few years, Mr. Speaker, to see in fact in the Soviet Union, with incredible reserves in Russia now needing and wanting the petrodollars that the Soviets need, how this kind of partnership, whether it's through the private companies or through public participation in that country, how that kind of relationship will bear out. Certainly the principle is that this partnership needs to be in a creative tension and in balance, and I think again this Bill helps to bring that into some better balance.

The third principle, as far as I can understand it, is that we need to be efficient and equitable in that relationship between the public and private interest, which will serve to make everyone better off and no one worse off. As I understand it, there are, either through this Bill or through other discussions, a number of inefficiencies and inequitable ways in which the relationship is currently structured, and we do need certain reforms of them. In this case, whether it's how the royalty amount is calculated or recalculated, the time period over which it is calculated, the counterpayment, the payment schedule, the whole issue around trespass rights and violations, all of these are issues which have been in some ways irritants and show the inefficiency and inequities of the current relationship. So it's by virtue of this Bill and our support of it in these amendments that we hope that this third principle of efficiency can be improved upon.

I do wonder how much of it bears upon what I understand to be a more wide-ranging reform – well, two things – of the royalty payment mechanisms. As I understand it, it's a sort of simplification study by members of the department and members of the

industry who have looked at how they can in fact simplify the accounting procedures, which become very onerous, very time consuming and in some respects hearken back to another time, another interest, that there are ways to simplify it even further. I don't think this Bill and these amendments speak to that study. If they do, I'd appreciate knowing that. Nonetheless, there are many inefficiencies which continue to exist, and I think these amendments help to remedy some of them, help to streamline the process, and, as the minister says, bring a greater fairness and consistency to the relationship between the private sector and the public interest in terms of the Crown in right of the resources of the people of Alberta.

As a result, we'll support it at second reading and have some questions at committee stage.

MR. SPEAKER: Westlock-Sturgeon.

8:10

MR. TAYLOR: Thank you, Mr. Speaker. In the absence of the hon. member for Calgary north, the Minister of Energy, I think, has done a commendable job. I'm a very bad second best for answering the questions, but maybe I can put the questions to the minister and he will be able to check with the hon. member or someone to come up with the answers.

Basically I believe that some of this is long overdue. There was no monetary penalty in the late filing or misleading filing in the oil and gas royalties for some time. I think the Auditor General and others have pointed it out. So I welcome that change.

The remittance of freehold mineral taxes is also one area in which I have no problem supporting the government, but I have a bit of a problem and maybe a question that I'd like to have the minister think about. He may recall two or three years ago now that Justice Lutz made a ruling that a royalty trust dies when the lease dies. In other words, when the mineral owner sells points in his or her mineral rights, they expire when the lease under which he sold the mineral rights expires. In other words, he doesn't sell the freehold mineral rights in perpetuity. It's an interest in an agreement, rather than an interest in the land. I haven't kept up on it and I don't know if the minister has either, so I'll just pose it. Maybe he can come back in committee study, because it might have a bit of an effect on who the owners of the freehold mineral rights are. If the owner felt that he or she had sold the rights . . . [interjection]

Point of Order
Relevance

MR. ORMAN: Point of order, Mr. Speaker. This is the Mines and Minerals Act. This is not the freehold mineral Act. There will be an amendment to the freehold mineral Act that will be coming forward. The hon. member is free to ramble on at that time. This is Crown lands. This has got nothing to do with freehold lands.

MR. SPEAKER: I'm sure the hon. member will take that into consideration. [interjections] Order please.

Debate Continued

MR. TAYLOR: It's just possible that the minister is right. I have a bit of a mess in my notes here. I thought mineral taxes were covered in this Act, but if not, then I'll just lie in the woods and wait for him for later on, Mr. Speaker, because he should be informed on mineral rights and the collective owning of mineral rights.

Let's go on then. One of the areas that bothers me, Mr. Speaker, is that, as so often happens when they try to plug holes, civil servants – and there is definitely a hole here – put out regulations that have words in like the minister "may" recalculate, the minister may do this and may do that, and there doesn't appear to be any sort of appeal of the minister's decision, and some of these could be very strong, in section 42 all the way through to 53, which they boned up. Even the question of horizontal drilling, for instance, could allow in the modern day and age the well to wander off the whipstock and end up in the government's mineral rights. The way this Act reads the minister could say that that was deliberate rather than some boneheaded move. There doesn't seem to be any appeal of that.

I was talking about horizontal drilling, which would come under section 53, but also in section 42, the amounts owing on royalty – in other words nearly every section is replete with the minister "may," if he thinks or she thinks something is haywire, give an order. I'd like to see some sort of appeal mechanism for the lessee of the mineral rights who is producing oil and gas, they think in good faith, that they can't suddenly wake up one morning and be accused of being a bunch of crooks, and they have to do this and that. In other words, there should be some sort of appeal mechanism, and I don't see it in this Act. For a change I've got him shuffling, Mr. Speaker, rather than me. That's the last part I'd like to do.

In general, I agree with the idea of tightening-up, going after our royalties, but I don't think it should be unilateral. If the minister questions what is owing, there should be an appeal mechanism that we can go through.

MR. SPEAKER: Thank you for those comments.

It was mentioned, but there's no member in the House from Calgary north. Thank you.

Minister of Energy, summation.

MR. ORMAN: Mr. Speaker, I guess to some extent we run the risk of getting into the detailed analysis of the Bill rather than the principles, but in that I did speak to some details in the first instance, let me respond I think specifically to the Member for Westlock-Sturgeon. Now, I know that he did his pillaging on federal lands and not provincial lands during the national energy program, so he may not be that familiar with Alberta mines and minerals. In any case, the calculation of royalties is basically on an honour system that is provided to the Crown by the producers, and then there is a check at the end of the year to see if there is a balance in terms of the information. That's why the information is required to be kept on record for as long as is pointed out in this Bill. Basically that calculation is part of an appeal process. The producers provide the information. It's really the Crown appealing the information that is provided by the producers and then determining whether or not it is in balance with what the Crown's estimate is. So the appeal occurs more by the Crown to the producers, based on the honour system, on the royalty calculations.

It is virtually impossible to calculate the royalty on every well, and the Member for Edmonton-Centre spoke to the complexity of the royalty calculation. There are tens of thousands of wells in the province. So it is done in this manner. If the Crown does not believe, based on their review, based on the sales figures that are provided by the producers, if it is inconsistent with what their belief would be on an audit basis, then there is an appeal made back to the producers to ask for more information. That's basically how the system works, Mr. Speaker, and it works fairly well.

On the issue of simplification, the answer is yes and no to the Member for Edmonton-Centre. It does speak to simplification in ways in which we can reduce the administrative burden in the hands of the producers and the Crown in terms of calculation, but it is only one of a number of measures that are in the works to simplify royalty calculation. So I can't say yes, and I can't say no; not really quite relevant. The bottom line is, Mr. Speaker, that it does reduce the complexities to some extent on these particular issues, and for that reason it's acceptable to everyone involved, as indicated.

I'm pleased to move second reading of Bill 18, Mr. Speaker.

[Motion carried; Bill 18 read a second time]

Bill 24
Public Safety Services Amendment Act, 1992

MR. SPEAKER: The Member for Highwood.

MR. TANNAS: Thank you, Mr. Speaker. I rise this evening to move second reading of Bill 24, the Public Safety Services Amendment Act, 1992.

Before doing so, I'd like to recognize in the members' gallery Mr. Mark Egener, who is the managing director of Alberta public safety services. The work of his staff is something that's known to many of the hon. members, and I'm sure to you, Mr. Speaker.

Mr. Speaker, the amendments reflect the changing conditions and terminology as it refers to all aspects of emergency preparedness in Alberta. There are, however, three new provisions which contain substantive changes. These provide for the authority to issue regulations to require industrial concerns using hazardous materials to develop emergency response plans in conjunction with the relevant local authority. The second new provision binds all government departments and agencies to this Act, and the third establishes that the Public Safety Services Act will prevail during emergencies and disasters when a state of emergency is declared.

8:20

There are also a number of other changes that I'd like to highlight, Mr. Speaker. This Bill will permit the Minister of Municipal Affairs to delegate another person as a local authority to facilitate response to emergencies in improvement districts and special areas. This Bill will make payments and grants subject to any terms and conditions that he may prescribe to local authorities for the purpose of furthering emergency preparedness and public safety programs. It will also permit grants to persons, which also includes organizations, for the development or implementation of emergency plans and programs. It will permit the minister to "conduct public information programs relating to emergency preparedness for and the mitigation of disasters." It will permit government to make payments and grants to persons, which includes organizations, "for the provision of services in the development or implementation of emergency plans and programs." It brings penalties in line with the present-day standards by changing the term of imprisonment from not more than six months to not more than one year and changing the fine amount from $500 to not more than $10,000. It also will ensure a person retains his normal place of employment if conscripted during an emergency, which can be quite an important consideration if you have a forest fire and you happen to recruit people who are traveling through the district. They might be relieved from their jobs for not showing up on time.

This Bill will recognize Metis settlements as local authorities. Mr. Speaker, with your indulgence I'd like to talk a little bit about that particular feature. The addition of Metis settlements to the local authorities list is a significant milestone in the development of local government in the province of Alberta as it highlights an important step in self-government by our Metis settlements. I'd like to reflect on this path to self-government and thus to being included in the provisions of the Alberta Public Safety Services Act.

Metis leaders Jim Brady, Malcolm Norris, and Joe Dion in the 1930s began the struggle of developing a land base for Alberta's Metis people. The 1938 Metis Population Betterment Act helped set aside some land for settlement associations, and the next two decades were spent establishing these settlements. The late 1960s brought new issues: concern that the province might remove the settlement boundaries and concern that the settlements were not receiving the moneys from oil and gas exploration in their settlement areas. The mid-70s saw the Alberta Federation of Metis Settlement Associations bring all eight Metis settlements into a co-operative federation. The federation met with Premier Don Getty in 1986 to begin a new stage of development towards self-government.

In 1989 the Alberta Federation of Metis Settlement Associations signed the Alberta settlements accord with the Alberta government, which resulted in six documents being enacted. My colleagues from Lesser Slave Lake, Athabasca-Lac La Biche, and St. Albert helped the Premier and the Attorney General to complete the accord with the passing and signing of the different documents: letters patent, Metis Settlements Land Protection Act, the Constitution of Alberta Amendment Act, the Metis Settlements Accord Implementation Act, the Metis Settlements Act, and the comanagement of subsurface resources agreement. This legislation was passed in the spring of 1990 and proclaimed in November of 1990.

The Bill, the Alberta Public Safety Services Act, recognizes the historic development by placing Metis settlements on an equal basis with other local governments in the province of Alberta. The leaders of these settlements are anxious to take part and take in their new responsibilities under the Public Safety Services Act.

Mr. Speaker, I'd also to illustrate how the Alberta Public Safety Services Act works: helping local authorities to prepare for, respond to, and mitigate the effects of a specific emergency. As you may recall, a few months ago the Peace River overflowed its banks, causing severe flooding to the town of Peace River. The mayor and municipal officials in the town had with the Alberta public safety services district officer prepared well in advance of such an event, and they'd regularly updated and rehearsed the town's emergency plan. The mayor and several municipal officials had attended a variety of training courses at the Alberta Public Safety Services Training School. These courses covered such important matters as emergency site management, emergency public information. The Peace River hospital had planned for a mass casualty reception, and although there were, I'm happy to report, no casualties, the hospital was nonetheless fully prepared to take in anyone who needed medical assistance. Likewise, the social services in the town had been trained and were able to cater to all the needs of those evacuated to the local evacuation centres.

Mr. Speaker, I'd like to point out that had one of our major cities been forced to evacuate 60 percent of its population, it would have meant moving approximately 500,000 people from either Edmonton or Calgary. So the numbers that were involved in the town of Peace River are significant when you think of 60 percent of the population. I think that this statistic alone places in some perspective, then, the magnitude of the task that the mayor of Peace River and the staff had to face. I'm sure we're all proud of the outstanding response and leadership shown by the mayor to this emergency.

Mr. Speaker, the result of all this planning and preparation was put to the test on February 29, 1992. The response was then a fine example of effective emergency preparedness planning. The mayor declared a local state of emergency. About 3,700 residents were evacuated from their homes to predetermined evacuation centres, and highly effective steps were taken to mitigate the effects of the flooding. There were no casualties of any sort despite the cold weather. However, many citizens suffered loss and damage as a result of the flooding. Consequently, the minister, our colleague the Hon. Peter Trynchy, agreed that the government would provide a disaster assistance program. This program has provided a quickly available safety net for the town and for the citizens of Peace River, and at the end of April some $684,455 had been paid out.

Mr. Speaker, another example to illustrate the importance of this Act would be a community response to another emergency with the active help and the guidance of Alberta public safety services, the Hinton train crash in 1986. Hon. members will probably well remember that. Without preplanning and rehearsal of the mass casualty plan, the small hospital in Hinton could well have been overwhelmed by the sudden need to receive 94 casualties in a two-hour period. One wonders what the hon. Member for Edmonton-Glengarry would think of this. Because the small Hinton hospital had a plan of how to receive mass casualties, they were able to respond magnificently to the urgent demands that were placed upon them.

The programs Alberta public safety services provide for the safety of every Albertan are, I think, recognized across this dominion as being excellent. The programs are all encompassing and are well known and appreciated not only in this province but across North America. Speakers from Alberta public safety services are frequently requested to address emergency preparedness professionals worldwide, not only in North America.

The agency maintains a number of plans that guide the actions of the provincial government when an emergency occurs. Some of these would include the emergency operations plan, search and rescue in Alberta, the sour gas plan, the support plan for dangerous goods spills, the support plan for a major earthquake on the west coast, protection of vital points. This is not all. Alberta public safety services provides direct help for municipalities to get essential equipment, again something, I think, that most rural MLAs can relate to. The rescue kit program, which began in 1974, has provided 259 rescue kits to small communities throughout this province. This program encourages volunteers in volunteer fire departments to become trained in rescue skills and rewards them and their volunteer departments with basic rescue tools, which include such things as generating and lighting sets, ropes, air bags for lifting objects, and other useful rescue items.

8:30

The regional response improvement program jointly funded by the federal government and the province of Alberta provides for major emergency response requirements such as communication vehicles that are maintained by selected municipalities on the understanding that they are freely available when required by neighbouring municipalities.

Among the other initiatives that Alberta public safety services has introduced are programs to facilitate constant and ongoing improvements in the emergency preparedness in our province. These would include the co-ordination and information centre, referred to as the CIC. This is operational on a 24-hour basis every day of the year. It was established when the dangerous goods control regulations came into force in the province of Alberta. Originally it responded to queries from carriers and first responders who were attending a dangerous goods incident. It accesses a fully computerized comprehensive data base of information on every aspect of more than 3,500 dangerous goods that are used in Alberta and therefore transported on our highways.

It is worth mentioning that Alberta has more tonnage of dangerous goods on its highways than any other province with the exception of Ontario. The co-ordination and information centre now responds to every emergency whether it concerns a man-made or a natural disaster or is a request for information on the transportation of dangerous goods in the province. The feasibility of providing a provincewide 911 system is being studied. Recommendations about how to provide such a system will be presented at the end of the summer in this year.

An emergency public warning system will be introduced in the Edmonton area next month as a pilot study with the possibility of a provincewide system being put into place in the near future. This system will enable emergency warnings to be broadcast over all the electronic media within three minutes of the first notification of an emergency. That kind of co-operation among the electronic media is the envy, I'm sure, of every government. This system is the first of its kind in Canada, and indeed there's nothing quite like it anywhere else.

Mr. Speaker, I am proud of the work of the Alberta public safety services. Although small in number APSS has a large influence on the emergency preparedness issues in the province. These amendments I think will increase the effectiveness of this wonderful service for our province. I am one person who is glad to know that we have an excellent group of dedicated professionals watching out for the safety of Albertans. These amendments, then, will enable them to better carry out their important tasks.

I ask, Mr. Speaker, that all members of the Assembly support these amendments to the present Public Safety Services Act, and I look forward to this evening's debate.

MR. SPEAKER: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. I rise on behalf of my colleague from Edmonton-Mill Woods to speak to the Public Safety Services Amendment Act. Initially let me say that I think the Bill as presented by the Member for Highwood is certainly acceptable. I think the amendments that are being proposed are going to improve the Act.

Before I do that, I'd like to also make reference to Mr. Egener. I had occasion to meet with him quite a number of years ago, back in I believe it was '87, when we had a disaster in our own midst. The department I think did a very good job in light of the fact that at that point they may not have had the experience to deal with the catastrophe that occurred at that time. In some of the situations that the Member for Highwood alluded to, I'm sure that they've developed the expertise over time. Of course, I have no doubt in my mind that they are functioning very well and doing a good job in the province of Alberta. We do need, I believe, a top-notch public safety service in this province. Certainly because we transport a variety of chemicals and energy products both through rail, truck, and pipeline, occasionally we have the unfortunate event of a spill, a pipeline rupture. Things like that require a quick response, and I think we're getting that. Of course, the disasters that nature provides are probably equally of importance, and I think the situations in Peace River or in Lesser Slave Lake and the Hinton railroad incident are cases that stand out very well.

I believe, Mr. Speaker, that as the department has gained experience, they have provided the province of Alberta with exceptional and good service. So I think the amendments that are being proposed in this Bill are acceptable and should be supported.

I think the inclusion of the Metis settlements as a local authority is significant. Certainly they are an authority within the settlement council. That they should now be recognized is long overdue, and that's certainly quite proper.

I think the delegating of responsibility by the minister to an appropriate authority or person to act in the event of an emergency is again a good move. It would certainly expedite the necessary services that would be required and action to be taken in the event of an emergency.

Development of plans by individuals in conjunction with the authority I think is also important. I think it's good, too, so that the local authority is fully aware of what development that person or organization is contemplating in the area and what kind of action can be taken in the event that an emergency occurs. Preplanning is very important to a good public safety service.

Under section 7, Mr. Speaker, there is an exclusion. Perhaps the member may want to advise us as to the intent and rationale of section 7(2), where they say, "The Regulations Act does not apply to an order made under subsection (1)." Perhaps the member may want to explain just what that means and why that is there.

I think it's important that they increased the penalties from $500 to $10,000. Certainly the $500 was much below the requirements. The increase to $10,000 or six months I think is a move that's long overdue.

When employees are conscripted in the event of emergency, certainly I didn't think there was any situation where they would lose their employment. I'm glad to see that that clause is dealt with in this legislation so that in the event that people are conscripted to respond and help in an emergency situation, they won't lose their employment.

By and large, as I say, Mr. Speaker, I think the Bill is a good Bill. It's a housekeeping Bill that improves the legislation substantially, and I would hope that it will improve the work that the public service people are doing now. I think all of us perhaps feel some degree of comfort that we have this before us.

MR. SPEAKER: Westlock-Sturgeon, with respect to Bill 24.

MR. TAYLOR: Thank you very much, Mr. Speaker. I'm glad to know that you, too, are following the proceedings here. Actually, I thought it was a hockey game we were listening to.

The hon. member for High River . . .

SOME HON. MEMBERS: Wood. Highwood.

MR. TAYLOR: Highwood has, I think, done a very pretty fair job here. He dwelt for quite a length of time on the Metis Settlements Act, which is really one of the few proud feathers, if you'll pardon the pun, that the government can wear in their hat, because they have done a very, very good job with the Metis in recognizing Metis self-government, actually a model that the federal people could use. To have them included into the public safety services, as the hon. member mentioned, is only fitting and proper.

8:40

I think there's very little I can say on the Bill except to say hooray. Maybe now that we're in committee stage, I would be interested in knowing what consultations went on with the Metis settlements people before they were put in here, because there is the obvious question that there may be costs that the Metis settlements – well, I'm sure there are costs that had to go into the Public Safety Services Amendment Act, 1992, by municipalities. It wouldn't seem fair if the Metis settlements suddenly find they're faced with some costs to belong to the Public Safety Services Amendment Act, 1992, that they didn't know about a year ago. In other words, were these costs expected, or are they going to be financed by the provincial government at least for a few years? I'm just curious as to whether or not the Metis settlements have been fully involved in their setting up or being added in. It's certainly fair that they should be, but because there is this intended cost involved, I'm just wondering whether that has been cleared with them.

That is really all I have to say, Mr. Speaker. Speaking on behalf of the Member for Edmonton-Whitemud, who has reviewed the Bill – and so have I, in very recent times – along with that we're behind in mineral taxes and a few other things, in general I find that it is in keeping except for that one question.

MR. SPEAKER: The Member for Highwood in summation.

MR. TANNAS: Thank you, Mr. Speaker. The questions by the hon. Member for Edmonton-Beverly I think I will answer in committee and take notice of the question on the consultations from the hon. Member for Westlock-Sturgeon.

Mr. Speaker, I move second reading of Bill 24.

[Motion carried; Bill 24 read a second time]

Bill 26
Water Resources Commission Amendment Act, 1992

MR. SPEAKER: Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Speaker. I would like to move second reading of Bill 26, Water Resources Commission Amendment Act, 1992.

Mr. Speaker, the principle of this Bill is that the term of the Water Resources Commission will be extended an additional five years, to 1997. The departments that are represented on the Water Resources Commission have been designated in the existing Act by positions held in that department. Through reorganization many of these positions don't exist any longer, so now the proposal is that the representatives from the department will be named by the minister through a form of ministerial order. They will be assistant deputy ministers of those departments, with the addition of the Department of Transportation and Utilities because of the change within that department that has come over the last number of years and their involvement in the supply of especially domestic water to communities.

Mr. Speaker, those are the principles of the Water Resources Act, and that's as long as I can speak on it because it's nice and short. Thank you.

MR. SPEAKER: The Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. Having had several weeks to analyze this Bill thoroughly, study its implications, examine the impact of the changes being proposed, we support it.

MR. SPEAKER: Westlock-Sturgeon, trying perhaps for a record in brevity?

MR. TAYLOR: Well, it's always very dangerous practice to agree with anything that the hon. Member for Vegreville has said, but that's overridden by the fact that my old friend and MLA that I used to bounce on my knee years ago from down in the dried-out country has brought this forward. I know he was raised in the same climate; we revered water. Mr. Speaker knows what the area

is about too. As a matter of fact, the water is too valuable to bathe in down there . . .

AN HON. MEMBER: We noticed, Nick.

MR. TAYLOR: One of the reasons why the Tory party did so well.

Nevertheless, I've searched this over very thoroughly, and I think it's a good job. I have no hesitation, being the member responsible for looking at water resources and mineral resources, to praise the Member for Cypress-Redcliff and wish him well in the committee stage.

Thank you.

AN HON. MEMBER: Question.

MR. SPEAKER: A call for the question.

Summation, Cypress-Redcliff.

MR. HYLAND: Mr. Speaker, I would hope, with the short speeches, that the record would show that we did, hopefully, set a record for the amount of time it's taken to accept a Bill in this Assembly.

[Motion carried; Bill 26 read a second time]

Bill 28
Jury Amendment Act, 1992

MR. PAYNE: Mr. Speaker, although this Bill was introduced only a few sitting days ago, I hope members on both sides of the House will feel they've had an adequate opportunity to assess the implications of the principles of the Bill.

I think it's fair to say, Mr. Speaker, that any Bill that emanates from this Assembly – any Bill – sends a signal to the people of Alberta. I'd like the members in the Assembly tonight to ask themselves the question: what signal will the House send tonight with the endorsement of the second reading of the Bill? I'd like to submit that the signal is this: that in the province of Alberta the hearing impaired and others with disabilities are not second-class citizens not only with respect to the democracy we live in, the democracy called Alberta, but with respect to our judicial system which heretofore has denied those equivalent citizens the opportunity to participate in our jury process.

Mr. Speaker, I submit that a person with a physical disability should not be prevented from serving on a jury if that person so wishes and, of course, is capable of performing the duty. With modern technology a physically disabled person is often just as able as a person without a disability to perform a citizen's fundamental duty of serving on a jury. If that person wishes to so serve, that person should be allowed to serve.

Historically, Mr. Speaker, the hearing impaired were precluded from serving on a jury on the basis that it would be impractical. That point of view was brought forcefully home to me one or two years ago when I received a call on my TTY from Karen Goldstein, a bright, attractive, indeed brilliant and very well educated deaf lady in Calgary. She was thrilled to receive her jury notice and was bitterly disappointed to discover on her arrival that she was excluded from that process because she was not able to hear. In the days that followed, we prepared a brief for presentation to the Attorney General and to other members of the Executive Council. I'm very pleased to report that the members of cabinet and indeed the members of the government caucus and, I have learned in recent days, the members of the opposition see a lot of merit in extending to the hearing impaired and others of our disabled citizens in this province the right to serve on a jury. A person in a wheelchair is no less capable than the nonhandicapped to perform a citizen's duty.

The issue of capability I submit, Mr. Speaker, should be left to the decision of the judge presiding at the jury selection. The prospective juror should not automatically be excluded.

8:50

In bringing forward this amendment to our jury legislation, Mr. Speaker, I should indicate to the members that are here tonight that we've received very supportive representations from the judiciary and other stakeholder groups. Their representations have certainly been considered in bringing forward this amendment.

We should not be bound, hon. members, by prohibitive rules of law that have outlived their usefulness and no longer accord with modern Alberta life. In short, Mr. Speaker, a physically disabled citizen who is capable of serving on a jury should be allowed to exercise this right and duty in the same way as any other citizen. I earnestly plead for the support of all my colleagues in the House tonight for this very worthwhile amendment.

MR. SPEAKER: Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. I'd like to say that I expect that we will be able to be equally brief in dealing with this Bill. I want to commend the hon. Member for Calgary-Fish Creek for sponsoring the amendment. It's an amendment that I wholeheartedly endorse, and that feeling is shared by our caucus. The amendment, by the addition of section 5.1(1), enables a person who suffers from a physical disability that might otherwise render it impossible for him to serve on a jury and thereby prevents him from that aspect of public life to elect to serve with the assistance of a device or a person which will assist him in terms of sight or hearing or other types of disability that can be corrected in this way.

I commend the member for bringing the Bill forward. There is, indeed, a growing awareness of the need to fashion our laws so as to enable persons who are physically challenged to participate as fully as possible in public life. I think this Bill is a step in the right direction. Certainly, as the member stated, the justice system is integral to our public life, and indeed the jury system is the very foundation of our judicial system. Consequently, I certainly concur with his sentiments with respect to this Bill, and I would urge in future the same principle: that persons with disabilities are not second-class citizens and that they should have access to all the rights and privileges of citizenship in this province. I would urge the Assembly to bear those principles in mind in terms of all of the legislation which comes before the Assembly, and I would suggest a good place to start doing that is with respect to access to polling places in elections.

MR. SPEAKER: Additional? Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I'm the expert on all Bills tonight, I'm afraid. There's one advantage: I'm short.

I, too, would like to congratulate the Member for Calgary-Fish Creek for bringing this forward. Possibly it's a little bit of a black mark on all of us that this many years have gone by before something like this has come forward. Certainly the member adds to the lustre he's had for some years that I've been in the Legislature for looking into areas such as this to help the physically challenged.

If I were going to be a bit of a curmudgeon, I would wonder about 5.1(2) – but this may be going into committee work, and maybe even then it can be handled – where a person is to give "assistance . . . as directed by the Court"; they "assist the juror in all the proceedings." Well, we've had interpreters as that, but this is also "including the deliberations of the jury." That concerns me a bit, that there would be a 13th or 14th person – it depends on how many physically challenged people are on the jury – that would actually be in the jury room too. So I don't know how it will work out. Probably there are a lot less faults in having them in there than there would be in having them out, but it just entered my mind that we would end up with 13-, 14-, or 15-person juries if we had two or three physically challenged people on there.

But all in all, I have no trouble committing my party to its support. I'm very pleased that the hon. member brought it forward at this time.

MR. SPEAKER: Summation? Calgary-Fish Creek.

MR. PAYNE: Mr. Speaker, it goes without saying that I appreciate the enlightened judgment that's expressed from both sides of the House tonight, and I do appreciate the support for the Bill.

Perhaps I could more fulsomely return to the reservation raised by the Member for Westlock-Sturgeon when we are in committee. Let me just remind him that a hearing aid or wheelchair or white cane does not have a vote in the jury room.

With that, could I then move second reading of Bill 28, Mr. Speaker.

[Motion carried; Bill 28 read a second time]

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

head: **Government Bills and Orders**
head: **Committee of the Whole**

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: I'd like to call the committee to order.

Bill 14
Motion Picture Development Amendment Act, 1992

MR. DEPUTY CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to this Bill?

The hon. Minister of Economic Development and Trade.

MR. ELZINGA: Mr. Chairman, recognizing that we did have extensive debate in second reading, we have nothing further to add to the two major thrusts that are involved in this amendment, but if there are any questions or comments from other members, I'd be more than happy to address them. In the event that we can't address them tonight, I'll get back to them with the appropriate answers.

REV. ROBERTS: Mr. Chairman, a couple of points that were raised at second reading, as I recall. They had to do, I guess, with how the Alberta motion picture foundation compared basically with what was going on in other provinces and even with the federal government's programs. Certainly we believe in this caucus that since it's a cultural industry, the development corporation doesn't need to bear all the rates of return that a private industry selling beer or widgets in the marketplace should have to return to its shareholders. In a sense this needs special cultural considerations. So then we have some questions about the rates of return and how the moneys are being invested.

Has there been experience with other provinces or with, I'm not sure, the National Film Board or other similar development foundations such as this? How do they exist, and what lessons can be learned if there are ways to, in a sense, learn from them? Then further to that, whether in fact we could expand to work cooperatively with other provinces in the west or throughout Canada to strengthen this very important cultural industry, knowing as we do that we live next to the greatest film industry country in the world, the United States. Hollywood has such enormous powers both culturally and economically that we need to be able to hold our own, and we do hold our own, yet we need to be able to further nurture that. So these are just some questions. I thought Calgary-North West had similar questions, and I just raise them for further consideration tonight.

MRS. GAGNON: Mr. Chairman, on behalf of the Member for Calgary-North West, I would just like to reiterate some of our concerns about Bill 14.

We're very, very supportive of a viable and thriving motion picture development industry in Alberta. We have the resources, the talent, the environment, the beauty to have a very thriving industry. However, we are concerned, as the Member for Calgary-North West said during second reading, about the ability of a Crown corporation to loan or guarantee money to Alberta businesses of any type. It seems to me that the Alberta Motion Picture Development Corporation fund has forgiven so many loans that they may as well just call these grants in the first place rather than calling them loans: make a decision to give grants, and then say, "That's it; there's no money to be repaid."

It seems to me that there's some confusion here as to the goals. Are the goals cultural, or are they business development? If they are business development, if we're looking at this as an industry rather than as strictly the goal of expanding and enhancing culture in the province, then I think we have to look at what the chamber of commerce says about making loans to business. They have said that business in Alberta does not want or need special grants, incentives, or loan guarantees from this government, and I think it's something that the minister should consider very seriously.

9:00

I just want to ask a few questions. As we all know, in B.C. they have done things differently. Their motion picture business is extremely successful, and they have not lost a single dollar on loan guarantees to movies. I would like to ask the minister if he has taken a very serious look at what B.C. is doing and if he has considered the same thing here. I think the way things are now, it seems that we are really losing a lot of money on what is albeit a very good cause, but maybe we could be expanding our motion picture industry in this province, providing work for our actors, artists, set designers, and so on, without losing so much money. So I would ask the minister to provide an answer to that question: have you looked seriously at the way in which B.C. does the same thing but does it much more successfully?

As it stands, Mr. Chairman, we won't be able to support Bill 14 when it comes to third reading.

Thank you.

MR. DEPUTY CHAIRMAN: Any further comments? Is the committee ready for the question?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 14 agreed to]

MR. DEPUTY CHAIRMAN: The hon. Minister of Economic Development and Trade.

MR. ELZINGA: Mr. Chairman, let me take but just a moment to respond to the questions raised by the hon. members opposite, the hon. Member for Edmonton-Centre and the hon. member for Calgary . . . [interjections]

MR. DEPUTY CHAIRMAN: Excuse me, hon. minister . . .

MR. ELZINGA: You want me to move the Bill be reported? All right. Mr. Chairman, it's my delight to move that Bill 14, the Motion Picture Development Amendment Act, 1992, be now reported.

[Motion carried]

Bill 28
Jury Amendment Act, 1992

MR. DEPUTY CHAIRMAN: Are there any comments, questions, or amendments?

The hon. Member for Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, my thanks to the House leaders and others who enabled me to get back into debate at committee so early in the evening to accommodate my social calendar.

I do hope the Member for Westlock-Sturgeon accepted in the spirit I intended what might have sounded like a facetious response to his well intentioned question. What I of course was trying to imply with that perhaps offhand comment was that, admittedly, in a 12-person jury a hearing-impaired person making use of an American Sign Language interpreter would of course result in a 13th person in the jury room, but it goes without saying that that interpreter has no more effect on the vote of the jury than the hearing aid or the white cane or the wheelchair to which I referred at the conclusion of my second reading comments.

With that amplification, perhaps I could just share with the members of the Assembly that one other jurisdiction in Canada has moved ahead with this kind of legislation, and that is British Columbia, although their jury amendment Act, I'm sad to report, is strictly limited to the hearing impaired. I'm advised by officials in the Attorney General's department that there are a number of United States' jurisdictions – states, that is – that have also moved forward with this kind of legislation.

With those very few preliminary and amplifying comments, Mr. Chairman, I'll take my seat and obviously will be happy to respond to any further questions that might be raised.

MR. DEPUTY CHAIRMAN: Any further speakers?

The Member for Edmonton-Centre.

REV. ROBERTS: Mr. Chairman, just a question. Not being a lawyer and having not studied these matters, it does seem to me to be so odd that we have to bring in legislation to enable people, with their rights under due process, to be able to function and carry on in this way. I'm wondering whether in fact members of the deaf community have taken this issue, as costly and time consuming as it might be, as a Charter challenge. It would seem to me that it would make sense as part of the rights and freedoms as a Canadian, even if you happen to be deaf, that you should be able to serve jury duty. For a woman to be told, as the member illustrated, that she wasn't able to and refused I think is grounds, to me at least, for some sort of Charter challenge, albeit expensive, under the new Constitution.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Chairman. Once again I want to say that I do support this Bill. I appreciate the comments made by my colleague here. However, it seems to me that the way to deal with this is through legislative change. Section 5(e), as it presently reads, states:

> The following persons may be exempted from serving as jurors:
> (e) a person who suffers from a physical, mental or other infirmity that is incompatible with the discharge of the duties of a juror.

Unfortunately, our tradition in the courts has been that particularly people with sight and hearing disabilities have been found by the courts to be incapable of performing jury duties. Consequently, it seems to me that the proper remedy here is through the legislative process rather than a challenge under the Charter, although I have no doubt that in today's circumstances particularly a person who could be assisted with a device either to see or hear which would enable him to perform his duties would certainly be able to make such a challenge and with all likelihood would succeed.

As I stated before, I support the concept, the principle behind the Bill. I support the wording that's included here. I think it goes further than might be available under the Charter, because indeed it does, as several members have commented on, add the possibility of another body in the courtroom. Not all of the physical challenges, the physical infirmities of persons who would like to serve on juries can be met by the addition of technological assistance, such as hearing or sight devices, that would put them in the same position as other jurors in terms of the discharge of their duties.

Consequently, I think this amendment, by going that step further, has done a service for persons who suffer from physical disabilities and will enable them to carry out their duties in the courtroom. My information with respect to some of the jurisdictions that have enacted laws such as this is that it works well. It is practical; it's an expedient way of handling these sorts of issues. Indeed, as the member sponsoring the Bill has already pointed out, the addition of the additional person, if it is a person rather than a device, in the courtroom is not in the sense of being an addition to the deliberation of the jury. The person suffering from the physical infirmity is the person that participates in the deliberations of the jury. The person who is added to the jury room is merely there as an instrument, as an agent for that person to better carry out his functions as a juror.

With those comments, I support the Bill.

MR. DEPUTY CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you very much, Mr. Chairman. I have very little to add except that the hon. Member for Edmonton-Strathcona already picked up on the Member for Calgary-Fish Creek's statement about technological. I wasn't talking technological because, having hearing problems myself, I know just how sharp people with hearing problems are and how intuitive and how much insight they have. So that wasn't one of the problems I had; likewise with the blind. My mother was blind for most of her life, and I can remember that I couldn't get away with anything for

years, whether it was by smelling my breath or something else. Therefore, I know that inability is very well compensated for. But I was thinking of people fairly tremendously challenged – it may be an advanced stage of Gehrig's disease or anything else – and where there is a fairly aggressive person, if you want to call it, in there doing the interpreting of the body language and everything else that goes on. I was a little concerned about it, but seeing that my friend from Edmonton-Strathcona, who has a great deal more experience than I have, isn't concerned, I shouldn't be either.

So once again I pass on it. That's all I have to say.

9:10

MR. DEPUTY CHAIRMAN: Further speakers? Are you ready for the question?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 28 agreed to]

MR. PAYNE: Mr. Chairman, I'm very pleased to move that Bill 28, the Jury Amendment Act, 1992, be reported.

[Motion carried]

Bill 18
Mines and Minerals Amendment Act, 1992

MR. DEPUTY CHAIRMAN: Are there any opening comments, hon. Minister of Energy?

MR. ORMAN: Mr. Chairman, in second reading there were some detailed questions asked with regard to the examination of the Bill, and I thought it was more appropriate for committee stage. The question that I want to address was brought forward by the Member for Westlock-Sturgeon when he was in fact referring to Bill 18. The hon. member was concerned about ministerial discretion, the use of "may" and the allowance of an appeal for a royalty calculation. I'd like to bring to the hon. member's attention section 39 of the Act as it reads now and the same correlative section, 39.01(1), that deals with appeals. The section reads that a royalty payer

> may, in accordance with terms and conditions specified by the Minister and in the form and manner and within the time specified by the Minister, object to
> (a) the Minister's calculation of royalty under the regulations under this Act, and
> (b) the Minister's recalculation or additional calculation under section 39

with respect to that royalty payer.

So in both cases, Mr. Chairman, the Mines and Minerals Amendment Act, 1992, and the Act specific deal with appeals, and it is quite specific. There are provisions for appeals to the minister in the event that a calculation made by the Crown is questioned in terms of its veracity. That is quite explicit in the legislation.

MR. TAYLOR: Mr. Chairman, I'm still not sure that I'm satisfied with the minister's explanation. The minister is quite correct that section 39 has appeals on the calculation of royalty, but this new Act has a clause 53, "where the Minister has grounds to believe that a person has contravened section 53(1)," which is the taking of minerals without authorization. I get the impression that you can appeal a miscalculation, but from the way I read the Act, I don't get that you can appeal the fact that in effect you are stealing oil, which can be a heck of a lot worse than a miscalculation. I have some wells still producing in the province here, and horizontal drilling is going to be one of the things I'll be doing in the next few months with some partners. If the minister suddenly decided that horizontal drilling was sneaking away some oil, I don't think your appeal clause covers that. I would feel happier if he had said the appeal clause covered the question of – what is the right word here? – well, I'll just say section 53, where it's the taking without authorization. In other words, if you could appeal the taking without authorization the same way you did a miscalculation, I'd be happy.

MR. ORMAN: Mr. Chairman, as the hon. member knows, being an engineer, whether it's a horizontal well or a deviated hole, the bottom line is that if the operator has penetrated a zone in which he does not own the mineral rights, based on pressure tests and other mechanisms at the disposal of the ERCB or other authorities, and it is determined that the production is coming from a reservoir that is not disposed Crown, then there is a provision in the legislation to deal with that. If it is unintentional, then it is a simple calculation of netting out the value of the hydrocarbons extracted. If it is determined that it is intentional, then there is a penalty to be assessed.

Now, Mr. Chairman, the hon. member also knows that the courts are quite available to deal with a contesting of this particular issue. The mystery comes when there is a dispute as to whether or not the production comes from a reservoir that is disposed or undisposed. That is based on the best judgment and the best science available to all parties. There is nothing in this section of the legislation that is mischievous on the part of the Crown. It's simply a remedy. I think the Member for Edmonton-Centre pointed it out quite eloquently, and that is that it is in the right of the Crown in the province of Alberta, and if it is determined that there is either unintentional or with malice aforethought extracting of undisposed Crown minerals, there must be some mechanism that comes down on the offending operator.

If there is not, Mr. Chairman, then there would be a proliferation of this abuse. It was found in the state of Alaska that because the penalties were not a sufficient deterrent, it occurred on quite a regular basis. This legislation moves to protect against that, and I frankly am surprised that it has taken until June 1992 to deal with this particular issue. I think it's long overdue and deals – as I indicated, the Member for Edmonton-Centre spoke about the principle, and that is that you can't take something that's not yours without penalty. If it's unintentional, then we're simply dealing with a netting out of the value of the extracted minerals, but if it's intentional, there must be an associated penalty.

MR. DEPUTY CHAIRMAN: Further discussion? Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman. I guess there's not much I can do about it, but I would remind the minister that the words in there are "won" as well as "worked or recovered." Now, working or recovering is easy. As you know, you can map a bore, and you can see where the well bore wandered over into the Crown's property. That's not hard, but when you say "won," that means that some Crown oil migrated over to you, and that could be due to differential water flooding, differential gas injection, or anything else that would cause the fluid or the gas to move in the direction of the well bore. What you have is some minister that can come along and say, "Hey, old Nick, you've been swiping some of our oil." I'd say, "Well, hell, I'm 660 feet away." And

he'd say, "Yeah, but you know that when you injected in those two corners, you're bound to have chased it over here, like geese over into your hole, so we want some money." I'd agree. Well, I could go to the courts and everything else, but as you know, lawyers are even more expensive than drilling rigs.

What I'd rather have is an appeal system that circumvents the courts and where I know I can get justice. The minister is obviously not a lawyer either, so why throw all this into legal . . . Why not just change the appeal clause by one little paragraph, saying that section 53 is also appealable, as is the calculation of royalties? I would be much happier.

9:20

REV. ROBERTS: Well, I don't have the answer to that one. I do have some other questions, pretty straightforward ones, as I understand them. One is just the consequences of these amendments tightening things up and making them more efficient. I'm wondering if the minister or his department has any assessment of whether in fact it's going to increase the amount of royalty that might flow into the coffers. In fact, I'm sure it might just be a small amount in terms of these recalculations and other provisions, although I think some of them make it easier for the royalty payer. I'm wondering in this time of falling revenues, particularly from oil and gas, whether this is going to be a small measure not only making it more efficient but increasing the Crown share, the Crown take.

When the minister spoke of the honour system and it being kind of audited, I turned to our own Auditor, whose comments about the department I think in some ways congratulate the minister and his department for continuing "to improve the quality of production data used in the calculation of royalties." I take it some work has gone on in that over the last few years. But he does go on to talk about an enhanced oil recovery program and the method of determining relief and recommends some amendments to the Mines and Minerals Act, section 11. It's not here before us tonight, and I'm sort of wondering, given that this has been in the works for some time, if the minister and his department have given some consideration to whether we should in fact include an amendment which would satisfy the Auditor while we're making these amendments here tonight, and what's been the reason for delay on that under section 11 with respect to the enhanced oil recovery program.

The minister said that this is part of a simplification process and is not. I think I understand what he's saying, but I would be more satisfied if I had a better sense of the timetable for when and how other recommendations – as they come forward, as I understand it, from the government and industry committee or study that is looking at how to further simplify some of these matters and have further recommendations – what the timetable is for bringing those forward.

Then just under section 53, compensation for unauthorized taking, again I commend the minister. I think it's a good move. The minister is right. This is an entirely new section. I can't understand that it hadn't been in here before, but I understand it's brand new.

This is a bit of a jump, but I was wondering. The minister never did respond to a question that I had some time ago about the same kind of principle in the sense of compensation for unauthorized taking, which is going on back with this other dispute in terms of the California Public Utilities Commission in the sense that it's up to the major oil companies to take them to court for loss of a market share. I was asking the minister if he also is a part of that action, or is the Crown going to be able to receive some compensation for, in a sense, the unauthorized taking or the lower pricing that the CPUC has gotten away with? It just seemed to me that I'd throw it in at this point because it reminded me of that unanswered question.

Together with these other ones, I'll await some of the minister's responses.

MR. ORMAN: Mr. Chairman, with regard to the timing for royalty simplification, I expect to have final documentation following consultation with the industry around the first week of July. I don't expect it will be any later than that, but that's basically the time frame that we're targeting at this particular point.

I know the hon. member has brought up the issue of the producers' suit against the PG and E chain of companies in the California gas dispute. I should let the hon. member know that we are not a part of that suit at this particular point, but we are not precluded from enjoining the producers who are in that suit at this particular time. We have that option and have not precluded ourselves from pursuing that particular option.

REV. ROBERTS: Just further on a question now that the Provincial Treasurer is here. Are we by virtue of these amendments going to be seeing any net increase in the amount of royalty share to the province?

MR. ORMAN: This will be revenue neutral. Where the savings will be is the administration of the department and the production accountant's time on these files to comply with the burdensome manner in which royalty is calculated at the present time, prior to Bill 18.

MR. DEPUTY CHAIRMAN: Any further comments? Are you ready for the question?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 18 agreed to]

MR. ORMAN: Mr. Chairman, I move that the Bill be reported.

[Motion carried]

Bill 24
Public Safety Services Amendment Act, 1992

MR. DEPUTY CHAIRMAN: The hon. Member for Highwood.

MR. TANNAS: Thank you, Mr. Chairman. I'm unable to obtain the Blues from the questions earlier, so with your indulgence I would ask the Member for Edmonton-Beverly and the Member for Westlock-Sturgeon and any other member who wishes to ask a question at this stage to go through them at this time.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Beverly.

MR. EWASIUK: Mr. Chairman, yes. I just want a clarification on section 7(2), where it reads:

> The Regulations Act does not apply to an order made under subsection (1).

Perhaps the member could clarify that for me, as to why that's in the Act.

MR. TAYLOR: I have a question that is strictly whether or not the Metis settlements council were informed about this change in the Act. If there is a cost to them, how is the cost being arranged? Is it a grant from the government, or is it expected to come out of funds that they didn't know they would have to pay this for before?

MR. DEPUTY CHAIRMAN: Any further speakers?
The Member for Highwood.

MR. TANNAS: Thank you, Mr. Chairman. To the Member for Edmonton-Beverly. Section 7(2) refers to the Regulations Act, which would give an exemption, and in this one there's exclusion, then, for the exemption that might require some 60 days. If there's urgent action, we need to take it now, so it does not apply in the urgent case. Does that make sense? Okay.
To the Member for Westlock-Sturgeon. The question as to whether or not the Metis settlement commission were consulted: the answer is yes, there was full consultation with them. The costs are basically minimal, and the transition funding has been provided and is more than adequate for the cost that would be incurred.

MR. DEPUTY CHAIRMAN: Are there any further comments with respect to this Bill?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 24 agreed to]

MR. TANNAS: Mr. Chairman, I move that Bill 24 be reported.

[Motion carried]

9:30

Bill 26
Water Resources Commission Amendment Act, 1992

MR. HYLAND: Mr. Chairman, I think I've made all the comments related to the Bill in second reading and would await any comments from other members.

MR. DEPUTY CHAIRMAN: Is there any debate with respect to this Bill?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 26 agreed to]

MR. HYLAND: Mr. Chairman, I would move that Bill 26, Water Resources Commission Amendment Act, 1992, be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills and reports the following: Bills 14, 28, 18, 24, and 26.

MR. SPEAKER: Having heard the report, those in favour of concurrence, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

head: **Government Bills and Orders**
head: **Third Reading**

Bill 2
Historical Resources Amendment Act, 1992

MR. SPEAKER: The Member for Highwood.

MR. TANNAS: Thank you, Mr. Speaker. This Bill is a straightforward amendment that facilitates the merger of two related boards. We have gone through committee stage, and I move third reading.

HON. MEMBERS: Question.

[Motion carried; Bill 2 read a third time]

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

No.	Title	Moved by
4	Public Contributions Amendment Act, 1992	Anderson
5	Landlord and Tenant Amendment Act, 1992	Anderson
10	Energy Resources Conservation Amendment Act, 1992	Orman (for Payne)
11	Petroleum Marketing Amendment Act, 1992	Orman (for Payne)

Bill 12
Natural Gas Marketing Amendment Act, 1992

MR. ORMAN: Mr. Speaker, I move third reading of Bill 12, the Natural Gas Marketing Amendment Act, 1992.

MR. SPEAKER: Call for the question?

SOME HON. MEMBERS: Question.

MR. SPEAKER: The Member for Westlock-Sturgeon.

MR. TAYLOR: I spoke against this in second reading and committee. I realize what the government is trying to do. It's trying to sort of secondhand or thirdhand rule on the type of contracts that the pipeline company can make, but I think there are better and other ways to achieve a higher price for our gas. Let's face it – and I may stand for correction on that – about two-thirds of our gas, maybe even more than that, 75 percent, comes from Crown-owned land. So what we sell our gas for in the markets has a direct bearing on what our taxes are, and I don't think that the method that the minister outlined in controlling pipeline contracts and particularly minimum bids will work. It's a sort of secondhand manipulation in the supply and demand market that I guess any government committed to the so-called free enterprise philosophy would try to get away with. I think it'd be much better to be up front and not be so cute when it comes to demanding what we want for our gas pricing. Consequently, I feel constrained to vote against the Act because it is too cute by far.
Thanks.

MR. SPEAKER: Additional?
The minister, in summation.

MR. ORMAN: Mr. Speaker, I find the hon. Member for Westlock-Sturgeon talking about some other piece of legislation I'm not aware of. There is nothing in this legislation that refers to price in any manner, shape, or form. It has nothing to do with price. I'm at a loss to know what the hon. member is talking about. This Bill, as it proceeded through the various stages of review by this committee, dealt in detail with the principles and the particular sections of the legislation. In third reading I find myself perplexed.

In any case, Mr. Speaker, having said that, all I can do is shake my head and hope that all hon. members will support third reading.

[Motion carried; Bill 12 read a third time]

9:40

Bill 14
Motion Picture Development Amendment Act, 1992

MR. ELZINGA: Mr. Speaker, it's my pleasure to move third reading of Bill 14, the Motion Picture Development Amendment Act, 1992.

In my concluding remarks as it relates to third reading, I will address whatever issues come up now and the issues that were raised in Committee of the Whole.

HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question.
The Minister of Economic Development and Trade.

MR. ELZINGA: Mr. Speaker, the hon. Member for Calgary-McKnight was reinforcing some thoughts that were discussed at second reading by the hon. Member for Calgary-North West, who raised the issue as to whether our involvement was on a business aspect or a cultural aspect. It is a collective involvement. The minister of multiculturalism has direct responsibilities as it relates to the cultural component of the motion picture industry. We have the business component, and that is what this Bill addresses.

I should share with them, too, that they have raised the B.C. film involvement. I should indicate to them that B.C. film was modeled after our own Alberta Motion Picture Development Corporation, with programs similar to what we are advocating except that they have the ability to invest up to some $750,000 per project versus our involvement at the one-half million dollar limit. Also, they have the ability to fund up to 100 percent of a low-budget feature. However, the province of B.C. considers film eligible under their venture capital corporation for a 30 percent tax credit and allows B.C. producers to assess their export loan guarantee program to finance production if a sale to a foreign broadcaster or distributor is made.

Mr. Speaker, it's noteworthy that by far the majority of films produced in B.C. last year and previous years have been completely financed foreign productions, unlike within the province of Alberta. There are certain similarities, plus there are some differences.

With that, Mr. Speaker, I move third reading of Bill 14.

[Motion carried; Bill 14 read a third time]

MR. ANDERSON: Mr. Speaker, before moving we adjourn, I should indicate that tomorrow evening it's intended that we sit in Committee of Supply to deal with Capital Fund estimates for 1992-93.

[At 9:43 p.m. the Assembly adjourned to Tuesday at 2:30 p.m.]