

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, June 1st, 1972

[The House met at 2:30 pm.]

PRAYERS

[Mr. Speaker in the Chair.]

INTRODUCTION OF BILLS

Bill No. 107

The Public Lands Amendment Act, 1972, No. 2

DR. WARRACK:

Mr. Speaker, I beg leave to introduce a bill, Bill No. 107, being The Public Lands Amendment Act No. 2. This is The Public Lands Amendment Act dealing with the principle of citizenship regarding public lands in the Province of Alberta. The principles involved would be two.

The first, Mr. Speaker, is that this would be a clarification of intent and practice on the part of the Government of Alberta respecting the sale of Crown Alberta public lands to only Canadians -- and I emphasize this restriction referring only to not being a Canadian, rather than anything to do with being a citizen of the country of Canada but not a citizen of Alberta. This deals with the Canadian dimension and does not separate Alberta from other provinces. So that would be to restrict the sale of public land in Alberta to only Canadians. That is the first principle.

The second would be to take into account the possibility that lands could be purchased from the Crown by a Canadian and in turn sold or resold to a non-Canadian. That second principle that would be established by the nature of this Public Lands Act Citizenship Amendment would be to place a caveat on that land, Mr. Speaker, so that the land could not be resold to anyone other than a Canadian.

It is the intent of the government in introducing this bill to request that the Legislative Committee on Foreign Ownership, chaired by the hon. Member for Edmonton Strathcona Julian Koziak, examine this bill and examine it in the terms of reference of foreign ownership, which is the responsibility of that committee. Therefore, Mr. Speaker, this bill will be requested to be referred to that committee for their examination.

[Leave being granted, Bill No. 107 was read a first time.]

INTRODUCTION OF VISITORS

MR. SCHMID:

Mr. Speaker, I would like to introduce to you and through you to the hon. members of this Assembly, with great pleasure, Mr. Grettir Leo Johannson, Honourary Consul-General of Iceland, a country from which a great number of our most distinguished pioneers came. Would Mr. Johannson please stand and be recognized?

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MR. ADAIR:

Mr. Speaker, it is with a great deal of pleasure that I introduce to you two groups from the Peace River country and from my home town of Peace River, a group of 88 students from the Springfield Grade VI class, along with their teachers, Mr. Hoffman, Mr. Petrovic, Miss Gray, Mrs. Huber, Mrs. Pahl, Mrs. Cooper, Mrs. Rovin, and Mrs. Skip. This group is in both the members' gallery and the public gallery and I would ask that they stand and be recognized.

The second group is a group from the Grade V class of the Glenmary School in Peace River, 27 students accompanied by their teacher Mrs. Erna McGillvary and her husband Grant and their principal, Mr. Paul Crough, and drivers, Mr. and Mrs. Earl Ball. I would ask that they too stand and be recognized at this time.

FILING RETURNS AND TABLING REPORTS

MR. RUSSELL:

Mr. Speaker, I'd like to table the report of a special volunteer committee that was appointed in 1970, being the report of the Committee on Uniform Building Standards for Alberta.

This committee was a group of volunteer provincial and municipal personnel who are involved in the administration of our various building acts. The attempt of the report was to review the feasibility of a uniform building standard for Alberta. If we are able to institute the recommendations, I suggest it will be a very giant step forward for Alberta in the building industry and the financial institutions relating to that industry. The committee, as I say, was a volunteer one and has been working very hard lately to get it in and table it by this session.

DR. WARRACK:

Mr. Speaker, I would like to table two items. I am pleased to table the answer to Notice of Return Motion No. 208. Secondly, in response to a question during the Lands and Forests estimates by the hon. Member for Wainwright, I would like to table now the appropriations, in detail, on new construction on airstrips for the 1972-73 fiscal year as requested.

MR. HYNDMAN:

Mr. Speaker, I wish to table Return No. 203, ordered by this Assembly.

MR. CRAWFORD:

Mr. Speaker, I'd like to table two reports. One is a summary report, 1971, of the Alberta Department of Health and Social Development. The other one is the annual report of the Department of Health, including the Vital Statistics Division, 1970.

MR. GETTY:

Mr. Speaker, I wish to table a Return which has been requested by the Assembly.

ORAL QUESTION PERIOD

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation, followed by the hon. Member for Hanna-Oyen.

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Non-Smoker's Day

MR. SORENSON:

Mr. Speaker, I'd like to direct my question to the hon. Minister of Health and Social Development. Is the minister aware that federal Health Minister, John Munro, has informally decreed that today is to be known as 'Be Kind to Non-Smokers Day'? This was reported in today's *Albertan*. By the way, there were only two articles in today's edition concerning health and smoking -- only two. My question is, how seriously does our minister view the whole area of smoking, and is the government conducting or participating in any research in this matter?

MR. CRAWFORD:

Mr. Speaker, that's the type of question that's difficult to be very specific in replying to. I might say, therefore, that for me to come up with anything other than a smoke-screen for an answer to your question probably would be pretty difficult. I don't think it will enlighten the House at all if I expose them to my personal views on the subject, so I won't do that. We have no particular program, in answer to the hon. member's question, in any sense that is directly related to smoking. I'm not particularly impressed by the programs that other governments come up with from time to time. I think one of the things that is often commented upon is that a lot of the people who advise against it -- this is in the medical profession and elsewhere -- are smokers themselves. We are dealing with an area where a large measure of personal choice is always going to be involved, and quite honestly, unless I thought I could do some good, which I don't, I wouldn't be heavily involved in that area.

Fluoridation

MR. FRENCH:

Mr. Speaker, I have a question for the hon. Minister of Health and Social Development. In view of my question yesterday, is the minister now in a position to answer my inquiry of yesterday, with respect to the supplying of fluoride supplements to the health units?

MR. CRAWFORD:

Yes, Mr. Speaker. I want to thank the hon. members who have brought to my attention the concern that was shown in some constituencies, when the decision of the department was made known, to cease providing fluorides by way of tablets and drops for various health units. The reasoning behind the decision when made was that all communities, of course, have for some time had the local option if they wished, to fluoridate their water supplies.

It was felt that although in an expenditure sense the program was admittedly not at great cost to government, as a matter of principle, being a matter of local decision, it might just as well be left there. However, once the decision was communicated to some local health boards, it was pointed out to me -- something that hadn't occurred to me -- that some of the municipalities, of course, don't have municipal water supplies. The water is supplied on a rather tenuous basis by local contractors or by people using their own wells, and this sort of thing.

On that basis my present proposal -- and this is the answer to the question, and is, in fact, the decision -- is that the program as it previously existed will be terminated, but, rather than doing it this year, it will be terminated on the basis that one year's notice is given as of the beginning of this budget year, so that communities can make the necessary adjustment, and those that have their own

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municipal water supplies will be able to go ahead and make such provision as their citizens may think is best, for fluorides or not.

The second part of the decision is that special account will be taken of those who don't have a municipal water supply, so that even in future years the communities in that position will have a program of support from the department.

MR. FRENCH:

Supplementary question, Mr. Speaker. Do I understand the hon. minister correctly in saying that in these areas which depend on a system of wells, which is, in effect, the type of water system you have on the farms, that the program will not be discontinued, but will be on a continuing basis?

MR. CRAWFORD:

Yes, that is correct, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Calgary Mountain View, followed by the hon. Member for Olds-Didsbury.

AGT Rates

MR. LUDWIG:

Mr. Speaker, I would like to direct a question to the hon. Minister of Telephones. I would like to preface my question with a couple of references to Hansard, April 13, 1972, on a reply to the hon. member, Mr. Ghitter.

The hon. Minister of Telephones spoke about the rather buoyant situation of income of AGT, in reply to a question I asked on Friday, May 5, 1972 -- and I would like to bring this to the hon. minister's attention --

MR. SPEAKER:

Does the hon. member have a question about it or is he just bringing it to the --

MR. LUDWIG:

I have a question, Mr. Speaker, but I feel it is necessary for me to lay the groundwork for this question.

I asked the hon. minister on May 5th, "Is there any consideration being given by AGT to increasing rates to subscribers or for increasing rates for services performed by AGT within the next year or two?"

I am going to -- unless the hon. minister wants me to read these -- I will skip two questions and I will read the last part of his reply. He said, "so that, in fact, there would be no rate increase considered for the year 1972."

In light of this would the hon. minister explain the recent announcement in the press that there will be an increase in service charges of approximately 40 per cent by AGT?

MR. WERRY:

Mr. Speaker, I wish the hon. member had continued and read the --

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MR. LUDWIG:

I will do that, Mr. Speaker, if I may, but I didn't want to read too long. I will read the whole background if he wishes me to.

MR. WERRY:

I will give you the gist of the information. There are two parts to AGT rate structures. There is what is called the 'regulated' and the 'unregulated'. The 'regulated' refers to those services which AGT has to apply to the Public Utilities Board for rate increase, and when we speak of rate increases we speak of those that normally a utility company has to go to and apply for before the Public Utilities Board. In answer to the hon. member's question, I was speaking specifically about those regulated rates and not about the unregulated. The question that he is referring to, of course, is the fact that there will be an adjustment to the service charges on installation and termination charges for installation of new telephones and extensions, and this is brought about because of the increase in costs.

I would like to provide the hon. members with some information and background on this. All of the rates and charges that AGT do have are constantly under review, and an interesting set of statistics is that for the year ending April 30, 1972, main sets and extensions, there were, 51,500 main sets and extensions that were installed in homes and in businesses in Alberta. The outward movement or removals were 41,000, so in fact, in order to get a 10,000 phone increase, 51,000 phones had to be installed and 41,000 had to be removed.

In analyzing the costs of putting in new telephones, it was found that the average cost of installing a new telephone was in the neighbourhood of \$17.50, so that for every telephone installed in the past year there was a substantial loss that had to be passed on to the subscribers in other forms of services. So in order to bring the installation fees into a more equitable position with the cost of that service, the adjustments to the service charges were made effective June 1st. I might add, Mr. Speaker, that the first announcement of this did appear in the Edmonton Journal on Friday, May 12th.

MR. DIXON:

I have a supplementary to the minister, Mr. Speaker. It has to do with future rates. Has the Alberta Government Telephones and Edmonton Telephones committee arrived at a tentative settlement of the boundary dispute in the City of Edmonton?

MR. WERRY:

Mr. Speaker, as the member indicates, both sides do have a negotiating committee that has been meeting since January 12th every Thursday night. Tonight being no exception, we will meet again. We are resolving a number of points, and in agreement with the city, in order not to mar or to jeopardize any of the negotiations that have been completed to date, both sides have agreed that there will be no announcement until there is a full settlement of all of the outstanding disputes. I can only report progress and in the very near future I would expect that there will be a settlement and it will be made public at that time.

MR. ASHTON:

Supplementary, Mr. Speaker, to the hon. Minister of Telephones and Utilities. I understand, according to a local radio station news report, that AGT will be reducing its interprovincial long-distance

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rate by as much as 60 per cent, and I was wondering if this is a correct story?

MR. WERRY:

Mr. Speaker, thank you. I would like to clarify at this time that apparently one or two radio stations are carrying this announcement regarding the Trans-Canada Telephone System, which is the eight member network of telephone companies across Canada that make up the long-distance haulage across Canada. According to the release they are meeting on June 19th and will confirm a long distance rate increase which will, in some cases, decrease inter-provincial rates by 60 per cent.

First of all, Mr. Speaker, there is no meeting on June 19th by the Trans-Canada Telephone System, and secondly, there is very definitely no committal to reducing inter-provincial long distance rates. The subject, of course, does come up in their meetings from time to time and a committee is looking at it, but there is definitely no foundation to this story, Mr. Speaker.

MR. LUDWIG:

Mr. Speaker, a supplementary question. In view of the fact that the hon. minister on May 5th in this House had stated that AGT's long-distance revenue was 17 per cent higher than had been estimated for the current year -- that included the months of January, February and March and is holding true in April -- also "our operating expenses had decreased by 4 or 5 per cent," how does he justify any type of an increase in services in view of that condition, notwithstanding his answer?

MR. SPEAKER:

The hon. member is inviting debate. Especially when the House is short of time, the value of the rules against long questions and also long answers, I think, become apparent and perhaps this topic should have been put on the Order Paper.

MR. LUDWIG:

Mr. Speaker, the hon. minister's statement was very misleading and I wanted it clarified before the House was adjourned.

MR. SPEAKER:

The hon. member is debating.

The hon. Member for Olds-Didsbury, followed by the hon. Member for Wainwright.

Village Lake Louise

MR. CLARK:

Mr. Speaker, I would like to direct a question to the hon. Minister of Federal and Intergovernmental Affairs. In light of the statement made yesterday in the House of Commons by Mr. Chretien that the federal government will be making a decision on the Village Lake Louise Project, he said he hoped to make an announcement by the end of June. Does the government of the Province of Alberta anticipate making any further representation to the federal government?

MR. GETTY:

Mr. Speaker, no, we do not anticipate making any further representations to the federal government.

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MR. CLARK:

Mr. Speaker, in light of Mr. Chretien's comment yesterday in the House of Commons, when he was commenting on the letter from the Minister of Federal and Intergovernmental Affairs in Alberta, he said: "They are both for it and against it." Wouldn't the minister feel it advisable that they should have another attempt at (1) making a decision, and (2) letting Ottawa know what they think about it?

MR. GETTY:

Mr. Speaker, in anticipation of the question which I was sure one of the hon. members would raise, I thought I would once again repeat what has been said in the letter twice. Once it is underlined, another time it isn't, but in both cases, Mr. Speaker, I think it is pretty evident of the government's decision.

"As a result of this study our government has concluded that until the existing deficiencies are solved we cannot specifically support the Village Lake Louise Limited proposal."

Then again, Mr. Speaker, after presenting the reasons and considering the various problems involved, where we say:

"In summary, the Alberta government is not, at this time, prepared to support the specific proposal of Village Lake Louise Limited."

MR. SPEAKER:

The hon. Member for Wainwright, followed by the hon. Member for Edmonton-Ottewell.

Alberta Hog Marketing Board

MR. RUSTE:

Mr. Speaker, I would like to direct a question to the hon. Minister of Agriculture. I understand that another election has been authorized by the Marketing Council to elect a director for District 4 of the Alberta Hog Marketing Board. Can the hon. minister inform the members of the Assembly when this election will be held?

DR. HORNER:

No, Mr. Speaker, because I have asked the Marketing Council to re-assess the situation in regard to the need for an election in a particular district. As a matter of fact, Mr. Speaker, if they use the logic that they have used in regard to District 4 to carry it logically forward, then they should have suggested completely new elections in every area.

MR. RUSTE:

A supplementary question to the hon. minister, Mr. Speaker. Did the Marketing Council in fact authorize such re-election -- shall we say -- or is another election being held?

DR. HORNER:

The Marketing Council has made certain recommendations to me, and I have asked them to re-assess the situation.

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MR. SPEAKER:

The hon. Member for Edmonton Ottewell's question appears to have been answered. The hon. Member for Vermilion-Viking, followed by the hon. Member for Little Bow.

Rabies Control

MR. COOPER:

Mr. Speaker, my question is for the hon. Minister of Agriculture. Have we a shared-cost program with the federal Department of Agriculture for reimbursement for losses of livestock from rabies?

DR. HORNER:

I am not aware of that at the moment, Mr. Speaker, but I will inquire and let the hon. member know.

MR. COOPER:

I understand that Saskatchewan, Manitoba, and the eastern provinces have such a program and I was just wondering whether we did.

MR. SPEAKER:

The hon. Member for Little Bow, followed by the hon. Member for Calgary Mountain View.

Conservative Handbook

MR. R. SPEAKER:

Mr. Speaker, a question to the Premier. Some time ago I asked if you would consider tabling the Conservative handbook which was passed out to the civil servants just after you came into government. Has the hon. Premier made a decision on that matter to this date?

MR. LOUGHEED:

Mr. Speaker, I thought I had answered that by saying that we had made the decision that it was not a government document.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Calgary Millican.

MR. LUDWIG:

Mr. Speaker, I had already asked my question.

MR. SPEAKER:

The hon. Member for Calgary Millican followed by the hon. Member for Edmonton Kingsway.

School Taxes

MR. DIXON:

Mr. Speaker, I would like to direct a question to the hon. the Premier regarding Bill No. 103, sponsored by the hon. Member for Calgary North Hill. My question is, the Catholic School Trustees have been making representation that no changes be made in the present way the taxes are collected for school purposes, and I

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wondered if your government had been giving any consideration to amending the bill, and leaving the present system of tax collection as it is?

MR. LOUGHEED:

Mr. Speaker, I will refer that question to the hon. Minister of Municipal Affairs.

MR. RUSSELL:

As a matter of fact, Mr. Speaker, this technique had been discussed in some detail with various school trustee organizations and we got quite a wide variety of opinion. The Alberta School Trustees' Association, in their annual meeting with Cabinet, did issue a press statement via their president's office -- Mr. Gunderson -- saying that they would support the idea, but I recognize that there are differences of opinion among elected school trustees, and why there would be those differences. I don't think the fact that the legislation is permissive, or that it must be instituted by the municipality, has been gotten across very well, but hopefully when the legislation is passed, that message will come through a little better.

MR. DIXON:

A supplementary. Then there is going to be no change as far as the government is concerned, under the present bill?

MR. RUSSELL:

We are not anticipating a change at this time, Mr. Speaker, because, as I say, there has been a wide variety of reaction to this. It has been discussed with the trustee organizations. We would like to try it at least one year to see if it is going to work. If there are difficulties, then we can re-assess it. I think it would be rather unfair to condemn the legislation -- it has been carefully thought out -- before it has been given one year to operate.

MR. SPEAKER:

The hon. Member for Edmonton Kingsway, followed by the hon. Member for Wainwright.

DR. PAPROSKI:

Thank you Mr. Speaker. My question has been answered.

MR. SPEAKER:

The hon. Member for Wainwright, followed by the hon. Member for Spirit River-Fairview.

MR. RUSTE:

I would like to direct a question to the hon. Minister of Culture, Youth and Recreation. Has the hon. minister given any consideration to the establishment of -- and, I suppose for the want of a better word or term -- historic sites or markers, to recognize the sites of the little old schoolhouses in our province?

MR. SCHMID:

Mr. Speaker, this subject right now is under a public hearing, and a public hearing is being held today, in fact, in Edmonton. Public hearings were also being held in Lethbridge and Calgary regarding historical and archeological sites in our Province of Alberta. I thank the hon. member for bringing the old schoolhouse

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sites to my attention, and maybe we should look into that also. As soon as the report from the committee is in, we assure you that we will do our best, as I said before, so that Alberta will have the best site protection legislation in North America.

MR. RUSTE:

Supplementary question to the hon. minister. Does he feel then that these form an important part of our culture, history, and heritage?

MR. SCHMID:

I'm quite sure that they form an important part, Mr. Speaker, since all of us sitting here have at one time or the other pressed hard wood benches, like those in the schoolhouses, whether in the Province of Alberta or otherwise.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Olds-Didsbury.

Department of Agriculture

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture. In the light of the findings and the recommendations of the Tradition and Transition Committee tabled several days ago, is the government planning any major overhaul of agricultural extension in the Province of Alberta?

DR. HOERNER:

Mr. Speaker, we're in the process, and hopefully have nearly completed, a major overhaul of the Department of Agriculture. In concurrence with that overhaul, of course, the question of extension is of major importance -- major importance in the fields of marketing, and in the fields of the provision of credit services, particularly to our farmers. Interestingly enough, Mr. Speaker, I just have the figures from the first two months of 1972 and gross farm income in Alberta is up 17 per cent.

Senior Citizens On School Boards

MR. CLARK:

Mr. Speaker, I'd like to direct a question, or follow up a question I had yesterday for the hon. Minister of Municipal Affairs, asking if he has had an opportunity to check out that question of citizens over 65 years of age being eligible to be members of school boards?

MR. RUSSELL:

Yes, I did check it with my Deputy Minister this morning, Mr. Speaker, and he was unable to find any reason in existing legislation why your constituent would think that way. I told him that I'd try and get further details and report back, so maybe we could get together on it.

MR. SPEAKER:

The hon. Member for Wainwright.

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Agriculture Increases

MR. RUSTE:

Mr. Speaker, to the hon. Minister of Agriculture. I believe he referred to a 17 per cent increase. Could he give us a breakdown of that in livestock versus grains? Percentage increase and income?

DR. HOENER:

I can give a general breakdown, Mr. Speaker. There was an increase in the amount in wheat, a decrease in the amount in barley, an increase generally, of course, in the question of livestock returns.

MR. RUSTE:

A supplementary. That would reflect then to the increased movement of grains to export positions?

DR. HOENER:

It reflects the increased movement of grains export positions. It also reflects the increased movement of grains through the livestock market in the Province of Alberta.

MR. SPEAKER:

The hon. Member for Calgary Millican followed by the hon. Member for Spirit River-Fairview.

Nursing Home Wages

MR. DIXON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Health and Social Development. My question is, owing to the fact that the government at the present time is contemplating studies on the minimum wage in Alberta -- and every indication shows that they will be going up -- I wondered if your department is looking at the contracts of nursing homes and auxiliary hospitals with an idea of raising the present contract amount?

MR. CRAWFORD:

Mr. Speaker, if I'm not mistaken, the nursing home contracts have been recently announced as a small increase of 50 cents per patient a day, and nothing has changed in respect to auxiliary hospitals.

Rural Oral Fluoride Program

MR. NOTLEY:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Health and Social Development as well. On Monday of this week I asked you about the rural oral fluoride program, Mr. Minister, and you mentioned that you would be looking into it and making a report to the Legislature -- this was raised yesterday. My question to you is, are you in a position today to report on the status of the rural oral fluoride program?

MR. CRAWFORD:

Mr. Speaker, my presumption would have to be that the hon. member was out during the first few minutes of the Question Period. The matter was raised by the hon. Member for Hanna-Oyen, and I explained that the communities are being given a year's notice rather

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than cancellation in regard to that program. Secondly, that for ones without municipal water supplies, support would continue on a longer term.

MR. SCHMID:

Mr. Speaker, I have some additional information for the hon. Member for Sedgewick-Coronation, in fact I think it is good news for him. In reply to his many questions regarding the Iron Creek meteorite, also known as the Manitou Stone, it is being returned to Alberta after an absence of about 100 years on a permanent loan basis by the Victoria College, University of Toronto.

The meteorite was removed near Iron Creek. For some time it has been on display in the museum at the Victoria College, University of Toronto before being moved to the Royal Ontario Museum where it is now shown. The 366 pound meteorite, the largest ever found in Canada, will be on display at the Provincial Museum and Archives here in Edmonton as soon as possible. I would publicly like to thank the Board of Regents of the Victoria College for their co-operation.

MR. SORENSON:

Mr. Speaker, may I just say a word? I am, of course, very proud and very happy -- I think I have just popped a couple of buttons on my shirt.

White Stag

MR. PEACOCK:

Mr. Speaker, in answer to the oral question presented in this House to the hon. Premier at the earlier part of the session regarding the sale of the White Stag Company, I would like to report the following: that we met Mr. Marcovitch and we were informed by Mr. Marcovitch that there was no intent of closing out his White Stag operation in Edmonton. The introduction of American capital into Mr. Marcovitch's plant was necessitated by reasons of working capital. Mr. Marcovitch has operated under license to White Stag in the United States, and therefore the sale was influenced by this association.

I might further point out that in the course of conversation with Mr. Marcovitch, he did point out a very serious problem that we are facing in the garment industry in Alberta, and that is the training of experienced personnel. We, in our department, are attempting now to co-operate with the labour problem in co-ordination with Mr. Foster and Dr. Hohol's department.

MR. KING:

In view of the very high level of tension which is running through the Legislature this afternoon, I wonder if the Premier could advise the House whether or not the hon. Member for Olds-Didsbury has indeed received a Writ of Dissolution from the Lieutenant Governor in anticipation of an early election?

QUESTIONS

211. Mr. Taylor asked the government the following question:

The following information is requested in regard to the following rivers, as of December 31, 1971:

- (1) The Bow River from Ghost Lake to the Carseland Bridge,
- (2) The Jumpingpound River from the Forest Reserve Boundary to the confluence with the Bow River,

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- (3) The Highwood River from the Forest Reserve Boundary to the confluence with the Bow River, and
- (4) The Sheep River from the Forest Reserve Boundary to the confluence with the Highwood River --
- (A) The number of road allowances,
 - (B) The number of road allowances open,
 - (C) The number of road allowances leased,
 - (D) The number of road allowances closed illegally,
 - (E) The number of road allowances not now open that it is feasible to open.

MR. PEACOCK:

Mr. Speaker, I move that this be made a Motion for Return.

MR. SPEAKER:

It has been moved by the hon. Minister of Highways and Transport, seconded by the hon. Minister of Advanced Education, that Question No. 211 become an Order for a Return. Do you all agree?

HON. MEMBERS:

Agreed.

MOTIONS FOR RETURN

CLERK:

Motions for a Return, Question No. 207, standing in the name of Mr. Clark.

MR. CLARK:

Mr. Speaker, I have already been discussing the nature of this return with the hon. Minister of Advanced Education. We have worked out a mutual arrangement, so there will be no need for the return to proceed.

MR. SPEAKER:

Have the hon. Member for Olds-Didsbury and the hon. Member for Macleod leave to withdraw Motion No. 207?

HON. MEMBERS:

Agreed.

GOVERNMENT MOTIONS

1. Hon. Mr. Hyndman proposed the following motion to the Assembly, seconded by Hon. Mr. Miniely:

Be it resolved that, the interim report of the Special Committee established to review The Election Act be now received and concurred in.

MR. HYNDMAN:

Mr. Speaker, hon. members will recall that the chairman of that committee reported asking leave to bring in the report this fall rather than now because the committee required more time to spend on The Election Act.

[The motion was carried on a voice vote.]

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MR. HYNDMAN:

Mr. Speaker, I move you do now leave the Chair and the Assembly resolve itself into Committee of the Whole to study Bill No. 99 on the Order Paper, The Legislative Assembly Amendment Act, 1972.

MR. SPEAKER:

Having heard the motion by the hon. Government House Leader do you all agree?

HON. MEMBERS:

Agreed.

[Mr. Speaker left the Chair at 3:11 p.m.]

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COMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair.]

MR. CHAIRMAN:

The Committee of the Whole Assembly will come to order.

Bill No. 99

The Legislative Assembly Amendment Act, 1972

[Sections 1 to 6 were agreed to without debate.]

Section 7

MR. RUSTE:

Mr. Chairman, there is just one point in here. In the dividing of it into 12 months and payments per month, this is going to leave a void some place in the authorization for payments before the budget is brought down in the spring of 1973. Do you have any comments on that? This provides for 12 months?

MR. MINIELY:

Yes, that's correct. Basically there will be some acceleration, but we're really talking about an immateriality, as far as the budget is concerned.

[Section 7, the title and the preamble, were agreed to.]

DR. HORNER:

Mr. Chairman, I move that the bill be reported.

[The motion was carried without debate.]

MR. HYNDMAN:

Mr. Chairman, I move the committee rise and report.

[The motion was carried without debate.]

* * * * *

[Mr. Speaker resumed the Chair at 3.16 p.m.]

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MR. DIACHUK:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bill, Bill No. 99, and begs to report same.

MR. SPEAKER:

Is it the wish of the Assembly to receive the report?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, I would now like to ask the leave of the House to move directly to third reading of this bill, notwithstanding Rule 59, which requires that no bill be given two readings on one day.

HON. MEMBERS:

Agreed.

MR. SPEAKER:

I take it the hon. Government House Leader has the unanimous agreement of the House for the request he just made?

HON. MEMBERS:

Agreed.

DR. HOFNER:

Mr. Speaker, I move, seconded by the hon. Minister of Federal and Intergovernmental Affairs, that Bill No. 99 be read a third time.

[The motion was carried without debate.]

MR. HYNDMAN:

Mr. Speaker, the hon. the Lieutenant Governor will now attend upon the Assembly regarding Bill No. 99.

[The Lieutenant Governor entered the Assembly and took his seat on the Throne.]

MR. SPEAKER:

May it please Your Honour, the Legislative Assembly of the Province of Alberta has, at its present sittings thereof, passed a bill to which, in the name and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

ASSISTANT CLERK:

The title of the bill to which your Honour's assent is prayed is The Legislative Assembly Amendment Act, 1972.

[The Lieutenant Governor nodded his approval.]

His honour, the Honourable Lieutenant Governor doth assent to this bill.

[The Lieutenant Governor left the House.]

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GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill No. 54
The Mines and Minerals Amendment Act, 1972

MR. DICKIE:

Mr. Speaker, I move, seconded by the hon. Minister of Lands and Forests, that Bill No. 54 The Mines and Minerals Amendment Act, 1972, be now read a second time.

Mr. Speaker, there are two basic principles involved in this bill. The first deals with the question of a ten-year lease. It gives the hon. minister the right to notify people who have a ten-year lease that one year after receiving that, they can either drill or else pay an additional fee.

The second principle deals with removal of the statutory provisions dealing with a ceiling on royalty provisions.

Mr. Speaker, dealing with the first principle involved in this bill, one of the first concerns we observed when we started reviewing the question of the leases was one of the criticisms of industry, that there should be a greater turnover of acreage.

Certainly this is true, I would say, of companies that might be described as other than the majors. They were concerned that there should be a quicker turnover. This, to their minds was one of the real incentives that the government could grant, and in considering how this turnover could proceed faster, one of the steps that was taken was to consider what had previously been done. The previous administration had used a similar principle back in 1962, when they considered the 21-year leases, and implemented the same type of provision, the minister giving notice either to drill or pay. So that is the reason for that provision in the bill, as an incentive to drilling and to encourage a turnover of acreage.

I thought, Mr. Speaker, just to give the hon. members some idea of the turnover of acreage in the province at the present time, I might just highlight for the hon. members, going back to 1967 and reading from 1967-71 the total acreage surrendered or cancelled and then the total acreage that was sold.

<u>Year</u>	<u>Total Acreage</u>	<u>Total Acres Sold</u>
	<u>Surrendered and Cancelled</u>	<u>and Bonus Received</u>
1967	6 million	8 million
1968	7 million	6 million
1969	4 million	6 million
1970	8 million	5 million
1971	7 million	11 million

So hon. members will realize that during that period of time the acreage surrendered varied from 6 million to 8 million and acreages that were sold or leased for bonuses were between 6 million and 11 million.

So it is hoped with the proposed amendment in that respect that this will encourage the turnover of acreage, and certainly again that this provision gives the minister that kind of discretion. If it was brought to the attention of the minister that there was acreage that was a ten year lease, five years had elapsed, and it was in a good area and wasn't being developed for some unknown reason or legitimate reason, the minister could then act on it to assure that that acreage would either turn over or at least bring additional revenue to the Crown.

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In dealing with the second aspect concerning the removal of the statutory provisions dealing with the maximum royalty, some concern has been expressed here, and I might deal with that aspect and the removing of the statutory provision, because I think all hon. members will appreciate that as it stands at the present time, with the limitations in the leases, any new leases that are granted by the Crown must contain the maximum royalty provisions. I would first like to draw to the hon. members' attention, the review of royalty provisions that was prepared by our department and submitted to all hon. members. On page 2 of that review the first paragraph is the part that I would like to read.

"The current royalty rates on petroleum and natural gas produced from Crown minerals came into force on April 1, 1962, and continued in force for a period of ten years and thereafter until changed by the Lieutenant Governor in Council."

Now that came specifically from the regulations that were passed at that time, and so there is no misunderstanding in anyone's mind, I would like to read the applicable part of the regulations that were passed in 1962. Clause No. 7:

"These regulations come into force on the 1st day of April, 1962, and shall continue in force for a period of ten years, and thereafter until changed by the Lieutenant Governor in Council."

The point I wanted to make absolutely clear, Mr. Speaker, was that this was a ten-year commitment by regulation as to the question of the amount of royalty, and royalties are set out in the regulation. So what we are faced with today is the question of what are we going to do by way of royalty provisions in new leases that will be executed by the Crown.

As the hon. members are aware, we are presently considering various proposals, and you will recall that when the government's tentative position paper was considered, and we had the hearings, the question of the period of time needed to get some stability was considered, that is, whether this period of ten years between reviews or five years should be considered. It might now be considered that in the future we should not write that maximum royalty provision right in the leases, but what could be done is to pass new regulations which are in any case due to come into force and effect after April 1st. The new regulations would contain a similar provision that they go for either one year, three years, five years, or ten years; after that a decision has to be made. Also in those regulations would be contained a provision dealing with the question of the maximum royalty. If that is done in that way then there is no necessity of containing in the actual act the statutory maximum provision that had previously been inserted in the act.

MR. HENDERSON:

I don't intend to re-thresh all the straw that went through the hopper in the process of the hearings, but nonetheless my very serious concern over the direction in which this government has set itself in this particular matter, and I think the very serious consequences in total for the people of Alberta, prompts me to deal with the particular question of removing the royalty ceiling from the statute.

I think it was fairly demonstrated before the committee that a substantial portion of the labour force of Alberta is involved in the drilling, exploration and development of oil and gas resources in the province, notwithstanding a shift in investment within the industry to parts of Canada other than Alberta. But certainly one cannot take lightly -- and I think we do so at considerable peril -- the suggestion of removal of the maximum royalty rate from the statute. I'm not talking about what the figure should be, but the principle.

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One should not take lightly the serious consequences that could result from that. I agree whole-heartedly that it's a matter of judgment of all members at this time as to just how serious these consequences would be.

But very clearly, Mr. Speaker, I have to suggest that simply framing some sort of policy in regulation, as the minister has proposed, is simply not adequate because it doesn't insure an opportunity for full and complete public examination of the changes in policy that could be made by Executive Council in this matter before the change is made. I have to suggest that to change it, so that this matter can be dealt with by regulation in itself, largely makes a mockery of the whole exercise we went through in holding public hearings.

While I have some very definite opinions as to the usefulness of the hearings so far as the subject matter that the hearings directed themselves towards, nonetheless the hearings certainly did bring before the members of the Assembly the critical nature of this question of investor confidence in Alberta.

I think, Mr. Speaker, there's a tendency for the average man, and I presume many of the members of this Legislature are such, to think in terms of investor confidence as someone investing a dollar in a sure thing and making a tremendous killing out of the resources of the province. If that was simply the case we were talking about I wouldn't be on my feet. But when one realizes, for example, that in the Drilling Association brief that was presented to the committee, they pointed out something like a 25 per cent decline in man years of employment within the industry within the last couple of years as a result of decline of development work within the Province of Alberta, (the decline of employment opportunity is something in the order of 4,500 -- if I recall the figure -- somewhere between there and 5,000 man years), and when one realizes that that represented a 25 per cent decline, one appreciates that there are something like 15,000 job opportunities still in effect in the Province of Alberta in the drilling part of the industry alone. According to my latest recollection of the number of people per family, the statistical figure, I believe, is something like 3.8. So it's not beyond the realms of imagination to say that a complete turn-off of exploration and development in Alberta as a result of a decline of investor confidence would directly affect the livelihood -- the bread on the table -- of 60,000 people, which only represents one small portion of the industry in total. I think it increases our peril -- the suggestion that we should treat lightly the importance of a maximum royalty in the statute as it relates to maintaining investor confidence.

I think without any stretch of the imagination it can be suggested that somewhere between 70,000 and 100,000 jobs that are tied up in the exploration of oil and gas, largely within the Province of Alberta. So it is not beyond the realm of probability to talk about 300,000 to 400,000 people, whose bread comes from this particular industry. It isn't a matter of huge profits for a few people from development of our resources. We are talking bread-and-butter issues for a sizeable percentage of the people of this province. Were it not such an important issue, Mr. Speaker, I would be quite confident to sit back, and not raise my voice, let the government go ahead with their proposal, watch the consequences, and have the privilege of saying, "I told you so," and possibly gain some incidental political benefits as well. But the price is too high as far as the people of the Province of Alberta are concerned.

I have to suggest, Mr. Speaker, that the suggestion of simply leaving the question of maximum royalty to a matter of regulation which is subject to a decision by a handful of some 22 people who are citizens of the Province of Alberta, I really don't think is good enough so far as investor confidence is concerned. I am certainly

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very firmly of the opinion that the manner in which the government has handled this entire issue -- and I don't intend to belabour it -- has already had a serious effect which is going to show up in the months ahead on investor confidence in the Province of Alberta.

I don't think the suggestion that it simply be left to regulation, subject to the decision of 20 men and two women, is going to be adequate to undo the damage that has been done so far as investor confidence is concerned, in light of some of the other proposals that the government has presented in its position paper. Because I think it was suggested very clearly, Mr. Speaker, that the government has been extremely naive insofar as how to approach this problem and appreciate what the business of investment economics is all about.

It is axiomatic that a party or company which is going to embark on a program to invest \$100 million or \$200 million, sizeable amounts of money, in a risky business of looking for oil and developing it, if they do find it, certainly has to have a yardstick to measure their investments by. In spite of all the popularity of belabouring the question of profits within large companies, and the social justice in putting more of those profits into the public treasury, it is nonetheless a fact that a firm commitment, as firm as it can be -- and 'as firm as it can be' means in statute, decided by the elected representatives of all the people of this province, all the members of this Assembly. It is absolutely essential insofar as providing a yardstick that is as firm as it can be. It couldn't be any firmer than that.

I think it is accepted by all concerned, that in the final analysis this Legislature has the right to alter unilaterally that commitment, and I have no quarrel with those who suggest that we do have the authority. But to undermine this question of investor confidence, to remove from the industry the parameters that it must have on which to base its economic studies relative to return on the investment, in the form of removing the royalty commitment from the statute, and the absence of a firm commitment relative to the period of time to which that royalty applies, there is no question, Mr. Speaker, that it will have highly detrimental effects upon the relative position of Alberta so far as attraction of the investment dollar within the oil and gas business. Consider the suggestion that the government has put forward itself, -- under Bill No. 95 -- relative to the proposed tax, at the upper limit equalling a royalty increase of approximately 50 per cent. When that is added to the fact that Alberta already has the highest oil and gas royalty rates in Canada, and a new tax of that magnitude is added to it, without any commitment from this Legislature -- not from the Executive Council, but from this Legislature -- as to what the maximum royalty is going to be, and the period to which it applies, I can only suggest to those who casually dismiss the significance of this action that they are certainly substantially lacking in knowledge about the ground rules by which industry measures the relative merits of investment in oil and gas in Alberta as opposed to investment opportunities elsewhere in Canada.

While I certainly go on record as supporting the proposition that we have a responsibility to see that we get the maximum possible return for the people of this province from the development of our oil and gas resources, to take action that will substantially undermine, if not destroy, investor confidence in this critical area, I suggest would be a short-term gain at a long-term loss.

I certainly would ask the government, in its wisdom, to consider seriously amending the bill when we get into committee with a view to not removing the $16 \frac{2}{3}$ per cent maximum at this point in time, because in my view, to do it will simply add to the damage that has already been done so far as investment climate is concerned, and to withhold action on that particular matter until they have examined

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the question in total and arrived at what their total revised policy position is going to be. And if, Mr. Speaker, it can't wait to re-examine the matter of maximum royalty, whatever the figure is, until the fall session, and it's that critical to the people of the Province of Alberta, let's see the Legislature called into session for two or three days in midsummer, or one day, or whatever would be necessary to deal with the question.

But, Mr. Speaker, to take it out of the act, and to leave it out of the act, and simply to say that placing it in regulations is going to be the equivalent so far as the investor is concerned and the impact on a stop or reduction of investment in oil and gas exploration industry in the Province of Alberta, simply, I think, is not going to be good enough. I urge the government to err on the side of caution in this matter, because even if their strategy is to take it out now with a view to trying to improve their bargaining position with industry and to put it back in the fall, I suggest that that too, is going to have its consequences, because when politicians start playing games on a matter as important as this, that in itself has negative effects on the entire business.

So, Mr. Speaker, I would leave it at this point by simply urging the government to consider, when we get into committee, amending the bill so far as changing the maximum royalty figure that is in the act now is concerned, until they have made up their minds firmly, specifically, as to what their overall policy position is going to be. And I suggest that this will, I think, demonstrate to the people of the Province of Alberta, to the industry, and to the members of the Legislature, that the government is not going to act hastily on this matter, that it has clearly thought it out, and that whatever action it has taken, is believed to be in the best interests of the people of the province.

At this point, I conclude by saying, Mr. Speaker, I do not think that in principle, removing the maximum from the statutes is in the best long-term interests of the people of the province. And I'm not talking now about what the maximum figure should be -- that's another argument -- whether it's 20 or 25 per cent. But simply seeing it proclaimed in regulation, I just do not believe is going to be good enough. There is going to be very little expense (or none) with the change in The Legislative Assembly Act to call the House back into session for a couple of days in midsummer, if they feel it's critical and we can't wait until October to resolve the figure finally.

So, once again, for about the third time, I urge the government to consider seriously the implication of what this action means for several thousands of men, women, and children and the people of this province if the predictions and statements that we heard during the committee should bear fruit in the form of a substantial reduction or a complete cessation of further investment in oil and gas exploration development in the Province of Alberta.

MR. NOTLEY:

Mr. Speaker, I propose to vote for this particular bill on second reading, but as the hon. members are already aware, I certainly don't subscribe to the government's tentative position paper. I, however, debated that paper when the estimates of the Department of Mines and Minerals were discussed, so I don't intend, this afternoon, to go over the arguments that I advanced at that time. Suffice it to say that it is my view that we should not make a final decision on oil policy until such time as we are in a position to look at the total energy picture, until such time as we have the report of the Energy Resources Conservation Board hearings on natural gas pricing, because it is my view that it is only when we look at the total picture that we can come up with a policy that makes sense for the energy resource development of our province.

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There are three points, however, that I would like to make in discussing the principle of this particular bill. The first point is that despite all the provisions we have made in the past to guarantee stability in this province, the fact of the matter is that there is virtually a hemorrhage of capital leaving the Province of Alberta. If we look at the figures for the last four years, the statistics that were quoted from Oilweek but were cited by a number of the organizations, chiefly the Alberta Teachers' Association, you see a frightening change that has taken place in the last number of years.

In 1968, the oil companies took \$75 million more out of the province than they put into it. In 1969, this rose to approximately \$120 million, in 1970, to \$281 million, in 1971, to \$389 million, and the estimate for next year is a staggering \$654 million. In short, it is quite clear, Mr. Speaker, that notwithstanding the royalty ceilings, notwithstanding all the efforts that have been made to provide stability in this province, the oil industry is using the money made in Alberta to finance plays elsewhere in Canada. One of the things we must grapple with is to find ways and means of ensuring that the industry invests in this province the money that they make in the Province of Alberta.

The two principles in this bill -- number one, lifting the ceilings, and number two, the more rapid turnover of lands -- are principles that I can support. I do not believe that simply lifting the ceilings on the present royalty arrangements is going to jeopardize investor confidence in the Province of Alberta. I suggest that when we are dealing with particularly the major oil companies, we are dealing with corporations that examine their investment decisions on a pretty pragmatic basis. They are the first people to recognize, notwithstanding efforts made to impose royalty ceilings in a statutory sense, that there are many, many ways that a government can use to get around those ceilings. With all due respect, the tentative position paper is an effort to do just that. It is an effort to raise more money for the people of Alberta without going over the 16 2/3 ceiling. There are other options that the government analyzed in the tentative position paper -- a net profit tax for example, or some of the other options that it considered. The fact of the matter is that there is no way that you can guarantee stability for the industry, and I rather doubt that the pragmatic people who lead the oil industry in this province really, when you come right down to it, expect those kinds of iron-clad guarantees.

I was rather impressed with the submission made by the first small independent oilman on Tuesday morning, who said that, quite frankly, he didn't think it would make much difference even if we lifted the ceilings on the leases that are already in effect. He felt that the money markets would react to such a decision pragmatically, and that it would not, in any way, shape, form, or injure his ability to raise capital elsewhere, especially in New York.

The second principle of this bill, the more rapid turnover of land, coupled with drilling incentives -- although that is not as it is worded in the bill -- is something that I can support too.

I was very impressed in listening to the Canadian Association of Oilwell Drilling Contractors. I was rather impressed with the research that went into that brief, and with the proposals that they made to the Legislature -- proposals which, incidentally, Mr. Speaker, go somewhat farther than the changes that we are making in this act. If the members will recall, the Oilwell Drilling Contractors Association suggested that after two years the minister could give notice, and that would be going somewhat farther than we are today. But to the extent, Mr. Speaker, that we are making a start, to the extent that a minimum position, as I see it, is to provide for the more rapid turnover of lands, as the bill suggests, and to lift the ceilings, I'm prepared to support it. But I do not

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think that the government's tentative position paper is sound. I do not believe it goes far enough. Again, in conclusion, I reiterate my point that the government, before making a decision on oil, should analyze the entire energy picture, extend the present agreements for one year, but take that time to look at the total picture -- natural gas, tar sands development and oil -- and come up with a policy that relates to energy resources in total in this province.

MR. ZANDER:

Mr. Speaker, in my constituency approximately 50 per cent of the people are engaged in the oil industry. First of all, I would say that I had some fears about taking off the ceiling of royalties and placing it in regulations. However, after listening to the hon. Member for Wetaskiwin-Leduc say that his fears are more profound than mine, I would say that I have every confidence in the Executive Council of this government and that it will not discourage the oil industry out of the province to any great extent. In fact, I believe the incentives program for new drilling programs in the province will increase confidence, rather than defer or probably kill the drilling industry.

Mr. Speaker, it seems to begin with whether it is in regulations or whether it is in the act. An act can be repealed by any government if it feels it should do so. Certainly, when the hon. member on the opposite side said that he has no confidence, I can understand why he feels that he has no confidence, because he feels that 'they' are the only government that any group of people can have any confidence in. But the people of Alberta, on August 30th, have given this confidence to the government. I think the people in the backbenches here have an Executive Council in which we have every confidence. I believe that the industry in this province has as much confidence as the people of Alberta had on August 30th.

MR. SPEAKER:

May the hon. minister close the debate?

HON. MEMBERS:

Agreed.

MR. DICKIE:

Mr. Speaker, in rising to close the debate, I'd like to make one or two observations, particularly from some of the remarks made by the hon. Member for Wetaskiwin-Leduc. First, I have some difficulty following his line of argument. I wasn't sure whether he was on the right bill or not for a while, and when he did get to the point, I really took it that he was advancing two arguments. The first was that as a member of this Legislature, he felt that this question of royalties should be set by the Legislature and not by regulation, which would be an Order in Council. Might I suggest to the hon. member that what happened in 1951, what happened in 1961 in the reviews, was done behind closed doors and not on the floor of the Legislature.

MR. HENDERSON:

Oh, yes, it was in the Legislature.

MR. DICKIE:

Now, Mr. Speaker, what happened this year for the first time was that the government treated this with such importance and significance that they did have a public hearing, and following the public hearing presented a tentative position paper that was well researched. The results of the hearings will be assessed and

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evaluated, then will be submitted to the Cabinet of 22 and then to a government caucus of 48 for final decision. In that respect, Mr. Speaker, I would like to suggest that the arguments he has advanced cannot be supported.

The other one that he deals with is the question of whether it is in the act or the regulations. Might I point out that the reason I specifically read the regulations is that it was the regulations that set a ten-year period. Nothing was said in the act about a ten-year period. We all appreciate that the act can be changed from year to year without any difficulty. But if there was a ten-year commitment to the investors it was done by regulation by the previous administration. So when the hon. member advanced the question today of investor confidence and suggested that the investors want to know a period of time, we suggest to him that it was set forth in our position paper. It did refer to a period of years, and we invited comment on what that period of time should be.

When the final decision is made as to the amount of royalty in the leases, that decision will be made. It will be implemented and could be implemented in the same way as existing regulations are, so there is a period of time to give that stability.

With all due respect to the arguments advanced by the hon. member, I suggest to him that those arguments cannot be supported in advance of his contention that they should appear in the way they have in the past by a provision in the act. That act can be changed from time to time. I agree with him when he suggests that for investor confidence there needs to be that period of time, that they would like to know what the royalty provision is going to be. We have suggested in our tentative position paper the percentage 19 to 23. That percentage will be defined. The investors will know for what period of time they have that royalty provision when they take the lease.

From that point of view the question of investor confidence is going to be answered, if those are the requirements they have asked for and wish to set forth. To say that we cannot do it by regulation -- it has been done previously. It has been accepted by regulations. So I think we have to accept that.

Mr. Speaker, in dealing with one other aspect which was an interesting observation, certainly, that the drilling contractors raised, whether two years were sufficient, we had a number of discussions on the question of five years. Again, this is a debatable point, the same as whether the parameters we have set on the royalties themselves are between 19 and 23 per cent. That is a debatable point; that is a decision that has to be made. Again, we took into consideration, before submitting this bill for second reading, the contention of the Drillers Association of the two years. We would like to suggest that the five-year is perhaps a more acceptable term. We would like to advance with that and see how that works out initially.

One other question that hasn't been dealt with in the question of financing, is that with the need for the maximum royalty provision for the financing of certain oil and gas reserves. That caused us some concern, but, Mr. Speaker, in talking with financing authorities and realizing how some of these different types of transactions are financed, one has to realize the maximum royalty provision does not apply after the first term.

In other words, after the ten-year term it doesn't apply on the renewed leases. So you don't have a maximum royalty provision on people who have gone for financing after the ten-year term. We made inquiries and asked if this was a question of how did this affect any of the financing. There was no effect, because they do finance on that basis. In other words, the ten-year maximum royalty provision

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only applied for the first term. Again, I mention that and emphasize it because that sometimes is overlooked in the course of the debate. Thank you, Mr. Speaker.

[A recorded vote being called for, the House divided as follows:

For the motion: Messrs.

Adair	French	Notley
Anderson	Getty	Paproski
Appleby	Gruenwald	Peacock
Ashton	Harle	Purdy
Batiuk	Hohol	Russell
Benoit	Horner	Ruste
Chambers	Hunley, Miss	Schmid
Chichak, Mrs.	Hyndman	Sorenson
Clark	Jamison	Speaker, R.
Ccokson	King	Strom
Cooper	Koziaak	Strcmberg
Copithorne	Lee	Taylor
Crawford	Lougheed	Topolnisky
Diachuk	Ludwig	Trynchy
Dickie	Mandeville	Warrack
Doan	McCrimmon	Werry
Dowling	Miller, D.	Wilson
Farran	Miller, J.	Young
Fluker	Minliely	Zander
Foster	Moore	

Against the motion: Messrs.

Barton	Dixon	Henderson
Buckwell	Drain	

Totals: Ayes - 59 Noes - 5

[Mr. Speaker declared the motion carried, and Bill No. 54 was read a second time.]

Bill No. 80
The Gas Resources Preservation Amendment Act, 1972

MR. DICKIE:

Mr. Speaker, I move, seconded by the hon. Minister of Lands and Forests, that Bill No. 80, The Gas Resources Preservation Amendment Act, 1972, be now read a second time.

Mr. Speaker, the basic principle involved in this is a matter of clarifying the question of the definition of gas and specifically as this relates to ethane -- that is, whether ethane is considered a gas or not. In order to remove all doubt, ethane is clearly defined as being a gas by virtue of the act. That's important, dealing with question of export. There's also another important point to be clarified and that is the powers of the Lieutenant Governor in Council where an order of the Energy Resources Conservation Board requires authorization or approval by the Lieutenant Governor in Council. The Lieutenant Governor in Council is clearly defined in the act so that there is no question that the Lieutenant Governor in Council can attach conditions to any order that is granted.

MR. DIXON:

Mr. Speaker, I would just like to make one or two remarks on this bill, more or less in the line of a question. As we look into the future of the gas industry and the insistence on the purchaser of exported gas to have the gas as sweet and as clean as possible, and, because of environmental controls we are going to have a lot of by-

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products which may turn around to be a surplus, as our sulphur is at present. I'm wondering if the Department of Mines and Minerals has given any consideration to research into the future of the by-products that are going to be surplus as our gas export increases?

MR. DICKIE:

Mr. Speaker, certainly I think the interest in the cracking of the by-products from gas over the last little while has really mounted. One of the projects we are engaged in at the present time is to determine what is the whole value of these by-products and whether these by-products can be put to use in the Province of Alberta before export, or whether they should be developed elsewhere. If they are, are we getting a substantial enough value for our returns for the people of Alberta if we permit their exportation?

[The motion was carried without dissent, and Bill No. 80 was read a second time.]

Bill No. 95 The Mineral Taxation Act, 1972

MR. DICKIE:

Mr. Speaker, I move, seconded by the hon. Minister of Lands and Forests, that Bill No. 95, The Mineral Taxation Act, 1972, be now read a second time.

Mr. Speaker, in speaking to this bill and realizing that we are presently towards the end of the adjournment of this session of the Legislature, I think the hon. members will look back in years to come at this sitting of the Legislature and try to recall some of the real highlights of the Legislature. Certainly I think that all hon. members will have to place high on their list of priorities the Natural Resources Revenue hearing. It was a three-day hearing; I think it set out initially to make sure that the public of Alberta were given an opportunity to present their views on this vital question. It gave industry the same opportunity to present their case to the people of Alberta. So from that point of view it served a very, very useful purpose.

However, one of the purposes that I think is sometimes overlooked and I think is worthy of mention today, is what it did for the members of the Alberta Legislature. Most of the members in this Legislature are new -- it's the first year they have had any experience -- and some of them are completely unfamiliar with oil and gas matters. I certainly think, in the three-day hearing that we did have, some of the major problems confronting the petroleum industry in the Province of Alberta were brought to their attention. Different points of view were expressed, but they did obtain an appreciation of those points of view.

I want, as an example, to mention the question of price. Certainly, when we got into the question of crude oil and the question of price, I think the hon. members would realize just how important the end price is in what is received for that crude oil. When they are looking back over it and trying to figure out what is a fair and reasonable return to the people of Alberta, they have to look at the end price. When they look at costs, they have to see what the end price is in relation to judging that. From that point of view, we have to realize how important price is.

At the same time, when we did get into those discussions, hon. members will recall the difficulty of trying to talk about the price in the Chicago market and Puget Sound, and even the experts have little differences of view as to how the price was determined and how the price was set. When you think of that difficulty on the question of crude oil, then I ask you also to think about how much more difficult it is on the question of natural gas -- and there again I

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would ask you also to reflect back on one of the major decisions of this sitting, the field price hearing of natural gas. This was the problem that was confronting the government, the question of price of natural gas. The hon. members just had a touch of it, for three days, as to some of the problems and the complications involved in it. Then, when the decision was made to conduct this field price hearing on natural gas, with a view to making sure that some of the major problems and some of the complications involved in the question of price were brought forth. From that point of view, Mr. Speaker, I think a public hearing of the nature that we had certainly was beneficial to all hon. members of this Legislature. As they spend further years in this Legislature, they will think back to some of the arguments that were advanced. They will think back to some of the thoughts that were expressed during those hearings, because you are not going to be able to escape the questions involved in the petroleum industry, when you realize it presently consists of 27 per cent to 28 per cent of our revenue -- it has gone as high as 44 per cent of our revenue and our budget -- so this is a vital concern to all hon. members. I think the first year was an ideal time to get the basic background necessary to look at the problems ahead in the petroleum industry.

Mr. Speaker, when I think of our natural resources revenue hearing, I have to get excited about it, because I think the hearings were very effective. I think they were well held. The atmosphere was well created. They were well-run. I would like, at this time, to pay public tribute to the hon. Member for Ponoka, Dr. McCrimmon, for the way he chaired the meeting, for the way he organized the hearing, and I would ask you all to endorse that. Certainly it set a precedent that is going to be hard to follow for public hearings in the future. If we do that I think, as members of the Legislature, we ourselves benefit a great deal, but also the public instills a type of confidence in us for having a hearing of that nature to express both points of view.

Now, Mr. Speaker, I think it is foremost for perhaps all hon. members -- where do we go from here? As the minister, I think it is my responsibility to assess and evaluate with the expertise that we have available, all the submissions that have been made. We are presently doing that. Following that examination and consideration of all the points of view, we will be making a recommendation to the Cabinet of 22 -- from there, to a government of 48 -- and they will have to make the decision as to what procedures they will follow, not only for future leases, but also for the existing provisions. The target date for that decision has been set as July 30th.

It was interesting to note, during those hearings, that questions were raised about the timing and so forth, and I think the view expressed by the industry is that they would like to have a decision as quickly as possible. This was our intention. We didn't wish to have it set out like the tax reform, where it was set over for a long period of time. Companies and organizations were unable to formulate their plans. It places the administration in a difficult position. Even the question of granting leases from now on -- we have to make these decisions from day to day. We have to make them quickly. We have to come to a conclusion. I can assure all hon. members that will come due after it is thoroughly researched and every point of view has been examined, and what is in the best interests of the people of the Province of Alberta. Every point of view has been examined and what is in the best interests of the people of the Province of Alberta.

Mr. Speaker, having mentioned that, I think the hon. members would like to know what the position is in respect to industry. I'd like to assure all hon. members that the doors of my office and of my colleagues are always open and we will sit down with any representatives of industry -- a small company, or a large company -- at any time to hear their views now that they have had a chance to

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analyze the briefs submitted from various organizations. I know those are being done and carried on. We'll certainly welcome sitting down with them, meeting and talking to them from time to time to make sure that we do have a good spirit of co-operation between industry and government which we will endeavour to carry on at all times.

Mr. Speaker, it's not my intention at this time, not having had the opportunity over the last five days to review even briefly the briefs that were submitted, so I think at this time all I have to touch on is the question of the bill that is presently being submitted to the members.

The principle involved here is a question of taxation. The bill is a taxation on the mineral rights of owners and those that have the right to work, win and recover the same. And that's the important principle you're asking to be approved today because it does deal with the question that was set forth in our tentative position paper on the basis of the alternatives that were considered. We'd ask that you consider this, that you are giving us authority to proceed with the implementation of that act so that we can have enabling legislation when we're sitting down on July 30th. When we do make the decision -- the decision is there for industry to know about, they will have the provisions of the act there -- there can't be any doubt about actually what the act says or may say. There will be a provision in the act that hon. members will be asked to consider, that that act come into force and effect by proclamation so that we would be in a position, if the decision is made at that time, to implement the provisions of that act in total or in part.

When I mention that, Mr. Speaker, I think one should also realize that as set forth in the tentative position paper, that this act as it is designed taxes all minerals. It's initially intended to start with the question of crude oil reserves, and then of course it's taxed on those who own the crude oil reserves and those who have the right to recover, work and win the crude oil reserves. That would be the initial stage, but the act is very flexible in that it can exempt certain minerals, or it can exempt certain parts of minerals. So with that flexibility, the government is in a position to work within the scope of the tentative position paper and is also flexible for changes that might be advanced from time to time as the assessment and valuation proves it would be highly desirable.

I would ask hon. members, when they are considering the government's tentative position paper, not to forget that this act deals with the question of taxation, but also tied in with that tentative position paper was an exploratory drilling incentive system. Certainly in that area I think the public hearings brought forth many suggestions as to how that position might be improved to get more drilling in Alberta.

I think it was clear from the positions that were given that the question of drilling is important in Alberta. The decline of drilling has been of concern to all those that have investigated the petroleum industry, so how do we get more drilling in Alberta? What is the effect of having more drilling in Alberta? The multiplier effect there, Mr. Speaker, I'd like to suggest to hon. members, is great enough to include every industry that is relying on it and the labour force that is involved. So the whole question of drilling aspect incentives has to be considered.

Here again, from both sides of the House, before a final decision is made, if any hon. member in today's debate or later, has an idea or two that they would like to advance or some aspect of the public hearings that appeal to them they should tell us. For instance, the tax of \$37 million on the roadway, that might appeal to them. How about the drilling fund suggestion in one of the briefs? If any of those aspects appeal to the hon. members, I would like to get their research on it, ask questions on it. I'd encourage them

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all not to hesitate one moment, but come to us and say, "I'd like to get this researched, I'd like comments on this," and we'd be glad to accommodate them on that.

So with those preliminary remarks, Mr. Speaker, I'm prepared to welcome the observations of the hon. members.

MR. STROMBERG:

Mr. Speaker, in accordance with Rule No. 9 of the Rules, Orders, and Forms of proceedings of the Legislative Assembly of Alberta, and regarding Bill No. 95, I wish to advise the House that I have an interest in a freehold title and I will be abstaining from discussing or voting on this bill.

MR. SPEAKER:

Refrain from voting?

HON. MEMBERS:

Agreed.

MR. COPITHORNE:

Mr. Speaker, I find myself in a similar position and I would also refrain from voting.

MR. DIXON:

Well I am not in that fortunate position. However, I am concerned about the freehold owners, in particular, farmers or private individuals that own the land. For clarification of principle, I wonder if the hon. minister in his closing remarks would assure the House that where private owners -- when they signed up with an oil company, usually at \$1 per acre per year -- have added onto that lease, in some cases the freehold owner of that property would be liable for taxes and levies while it was a non-producing lease. I wondered if the government had taken into consideration this question, because it may put some people who have assigned their freehold land in a position where they could be paying more than their fair share towards the assessment and the money that the government is hoping to obtain from this area. This was the one point that I was concerned with as far as the principle of the bill is concerned.

MR. CHAMBERS:

I find it necessary to make a few remarks on this bill. We have had the hearings and I am sure that we all found them most informative. We heard the oil industry present its case and we heard the other side. I think there is certainly no point in rehashing what was said. It is now up to the minister and to the Executive Council to make their decision. Let us hope, for the sake of Alberta, that their decision is a wise and a just one.

As a member who has worked for the past 20 years in the oil business, I can say without hesitation that I am proud of the achievement of this industry in Alberta. We only need to compare Alberta today with Alberta before 1947 to recognize the fantastic benefits that have accrued to Albertans as a result of our oil developments. Alberta's population has doubled during that period and I think this certainly contrasts with Saskatchewan's population which has remained fairly stable. We can look at dynamic towns such as Drayton Valley, Devon, Leduc, Rimbey, Swan Hills, Fox Creek, Valleyview, Lloydminster, Edson, to name but a few -- even Edmonton and Calgary -- that owe most of their growth and prosperity to oil development. We can look at the \$3.5 billion that has gone directly

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into the Alberta treasury during that period, as well as the \$12.8 billion that the industry has spent in the province. We should also consider the more than 200,000 Alberta jobs that depend upon the health of the petroleum industry.

One aspect that the industry has probably not excelled in is public relations. Many people not associated with the industry tend to overlook the indirect benefits that accrue to them from the oil business and feel that oil companies are some strange breed of cat compared to other business, and that they make fantastic profits. I think one thing that these hearings did accomplish was to show that the average rate of return was appreciably lower than that achieved by most other industries in this province.

However, what it all boils down to is what is a fair share for the people of Alberta of the revenue derived from this Alberta natural resource? The industry contends that the people are receiving a fair share now and I personally tend to support this view. However, the future fair share which the people of Alberta should receive is something that the Minister of Mines and Minerals, the Premier and the Cabinet will have to decide, and I can only urge that they review all aspects and that if they find it necessary to impose additional tax, that the amount be lower rather than higher when the range is considered.

I would also urge that the impact of any increased tax which the minister might feel that he has to impose be offset by significant exploration incentives. The Canadian Association of Oilwell Drilling Contractors, in their fine brief, clearly illustrated that the oil development business in Alberta is labour intensive, Mr. Cairns to the contrary. Not just the direct \$100 million payroll, but all the associated services, manufacturing, and supply businesses which are generated, all of which have a tremendously beneficial effect to the Alberta economy, both rural as well as urban, because the drilling is done in the rural areas, of course. All of this underlines the necessity of keeping a healthy drilling business, not only from the standpoint that this is how the reserves would be discovered, but also because so many jobs are affected. I personally think that the drilling incentive plan outlined in the position paper is not strong enough. It is certainly not potent enough to offset the effects of a significant tax increase. The proposed plan rewards only those who are successful. It does nothing for the unfortunate fellow who, in attempting to discover new reserves, drills only dry holes. Some form of drilling cost-credit against incremental tax increase would seem to be, in my view, a more effective incentive.

Obviously, one of the key points to be considered, when looking at the imposition of an increased tax, is whether or not such tax can be passed directly on to the purchaser or consumer -- in other words, whether or not the market for Alberta crude can absorb the price increase up to 25 cents per barrel. This is a subject that I hope the minister will consider carefully, in consultation with the industry.

Mr. Speaker, a seemingly popular view is that we are in a real seller's market with respect to our crude. I'd like to ask, is this true? While, it is true that the OPEC states are gradually boosting crude prices, I suspect that the increases are more than offset by the rapidly decreasing tanker rates. During the past year, ocean shipping charges have plummeted, due to a glut of recently constructed large capacity tankers. Trade journals indicate that many more are in the process of being built. A Japanese paper that I received recently points out that the keel of the world's largest tanker was laid on April the 3rd at the IHI ship yard. This particular ship yard has two more of the same size on order. The report in the May 29th issue of Oil Week indicates that orders for 16 super tankers have been received by Swedish ship yards. I understand that the price of shipping oil from Indonesia to Puget Sound has

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dropped from \$1 to 40 cents a barrel during the past year. I believe that right now Arabian oil could be delivered to Chicago via the Cap line from Louisiana at a considerably lower price than we can presently supply Canadian crude. We know that the significant Canadian market east of the Ottawa Valley line utilizes Venezuela oil at an appreciably lower price than the price of Canadian crude delivered immediately west of that line. Meanwhile, huge new oil discoveries in Indonesia and in the English Channel all add to world oil reserves. Reserves discovered in the past two years in the North Sea alone already surpass those discovered in Alberta during the past 25 years. What I'm saying here is that I don't think we're exactly in a seller's market. We have to watch costs and sell hard in order to be competitive with this product.

Mr. Speaker, there seems to be a developing trend in Ottawa which disturbs me very much. We all know the disastrous effect of the curtailment of gas exports last year. There is obviously no incentive to invest large sums of money exploring for gas that you have no assurance of selling. In the May 27th issue of *Financial Post*, I uncovered an article headed up, 'Why Energy Exports Don't Matter As Much,' in which reference was made to recent speeches by the federal Energy Minister to Calgary oilmen in March, and by his deputy, Mr. Austin, at a recent conference board panel on resources in Vancouver.

The implications therein are what concern me since the theme seems to be that we are short of oil, and we may have to conserve it for Canadians. This is absolute nonsense in my view. We in Alberta have the world's biggest known oil reserve, our Athabasca tar sands, some 500 billion barrels. Canada's vast areas -- the Northwest Territories, the Mackenzie delta, the Arctic, the offshore -- all have excellent potential for the discovery of very large reserves.

Obviously, to develop the tar sands and to explore in our frontier areas will take huge sums of capital. People will only invest these sums if there is a strong, growing export market where we can sell this product. To me, it seems pretty stupid to hoard our own 2,000 years' supply of a product which may one day become obsolete. After all, oil is really only motor fuel and heating oil insofar as any significant market is concerned.

These products have to compete in the future with coal, with electricity, with nuclear energy and with solar energy. There could also be competition with our tar sands from the Colorado oil shales which could prove, with advancing technology, to have an even bigger reserve than our tar sands.

Accordingly, I expect that the hon. Minister of Federal and Intergovernmental Affairs will do everything necessary to straighten out the thinking of the federal government, to get them on the correct course -- that is, expanding our oil export market as rapidly and as much as possible.

Mr. Speaker, in conclusion I would say in all honesty that I have serious concern over this position paper and this bill. If the position paper were not a position paper -- in other words, if this were a clear statement of government policy -- I would have to vote against the bill as a matter of personal principle. However, it is only a position paper, and the government states clearly on page 41, "The government is not firmly committed to this tentative plan, and is prepared to make adjustments, or even consider a completely different alternative." Since this is only a position paper I must have confidence in the hon. minister; confidence that he will sit down with this important industry, and develop a plan which will create the right business climate, which is acceptable to both the industry and to the people of Alberta.

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Since I do have complete confidence in the hon. minister and in the hon. Premier, and indeed, in the entire Executive Council, I am content to leave this most important decision in their hands. I will hereby use this occasion to demonstrate this confidence by voting for this bill. Thank you.

MR. GHITTER:

Mr. Speaker, I would like to address some comments with respect to this particular bill for a number of reasons. The basic one is that my particular constituency is one that probably has more oil employees in it than any other constituency in this province, its prosperity is so very closely related to the many buildings that outline downtown Calgary, that are directly related to the oil industry and the people they employ.

I would firstly say, Mr. Minister, that to all of us the hearings were indeed very instructive. Certainly from my personal point of view, as one who represents somewhat an oil constituency, it was indeed a fascinating experience and an exercise that I think was indeed worthwhile. I certainly commend the thought of the public hearings before this Assembly. It was indeed significant because of the tremendous decision that has to be made in this area, and it was significant because it allowed industry to come before us, and in that I think it assists all of us from the point of view of education in the many problems we have to face in this area.

Furthermore, Mr. Minister, I certainly sympathize with the nature of your decision, because I feel that you have been somewhat boxed-in as far as the flexibility that you have with respect to this decision. Anyone who has looked at the constitutionality problems that you have faced, in the event that you wish to receive further funds from the industry as to where you can go, I would suggest that from a legalistic constitutional approach you indeed have some tremendous problems that had to be looked at. Really you had no choice, if the truth be known, but to look at the form of taxation that is in front of you, other than accepting a very repugnant point of view and that would be the one of really repealing prior obligations of a government, which is indeed unwise. I think the government should adhere to the privity of contract principle, for if we don't, how can we expect our citizens to do so?

So I think you are limited from the point of view of where you could move, and I support your bill in principle, Mr. Minister, because I know and feel that the citizens of the Province of Alberta are entitled over the long run, to a better share of the potential oil revenue. It is very important that they do and I think that the only approach you could conceivably take is the one that has been taken.

I would caution you, Mr. Minister, that I am not totally convinced that the administrative problems you will face, from the point of view of this type of taxation on reserves, will not be expensive, because I think it will be expensive from the point of view of the government to administer this plan, and I think it will be expensive from the point of view of industry. But, nevertheless, I think it is a step that has to be taken forward. I think it is a step that is a necessity because from the point of view of the hearings, I came out convinced that a considerable portion of this increase can be passed on to the consumer. I only need look in terms of the brief submitted by Husky Oil and the suggestions of Imperial Oil at their presentation in Ontario where they suggested, as a price-setter, we are in a new era that we would be receiving additional sources of revenue from the point of view of the sale of crude. I feel that although the oil industry was unable to answer this I came away with the conclusion that there will be in the next few years a substantial increase in the price of our crude, and with the feeling that there was scope from the point of view of an

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increase that could be passed on to the consumer. It is on that basis that I come to the conclusion that the industry can afford to pay more.

But in conclusion, Mr. Minister, I could caution you, because I am very concerned with the employment situation and the impact that this could have upon a vital industry in this province. I would only add my caution, although I support the bill in principle, that in your judgment, when you talk in terms of \$50 million to \$90 million, that I only hope you would be much closer to the \$50 million than the \$90 million. When you make that very important decision, I would also hope that this impact would be able to be phased-in from the point of view that it will not hit the industry initially to the extent you might wish it to hit the industry, and that by being phased-in they can make their long-range budgetary adjustments like any other business. I know you are committed to the incentive approach, and I know that there were some excellent recommendations made at our hearings related to these incentives. And I certainly hope that your incentives -- and I would echo the opinion of the hon. Member for Edmonton Calder -- would be far more substantial than your incentives that were set forth in the tentative position paper.

And lastly, Mr. Minister, I would hope, in your meetings with the industry, that those in the industry that may wish, on a bilateral basis, to amend their lease agreements with the government -- that something could be done from that point of view so that those who wish to maintain a royalty position could do so at whatever royalty you could reasonably set to maintain the balance required. That in itself would avoid a tremendous amount of administrative costs, both from the point of view of the industry and this government. And so with those general remarks, Mr. Minister, I am pleased to support your bill in principle.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Edmonton Jasper Place.

MR. LUDWIG:

Mr. Speaker, I would just like to make a few brief comments and I'd start with the hon. member who spoke last. He certainly raised some valid points, and I sum up his remarks as telling his very much beloved minister, "I support entirely what you do but not too much." You said, oh yes, a good thing, but be careful, don't go too far, and the question is how far can we go? There isn't a clue in the whole House as to how much revenue the minister will take or intends to take, or what he is in fact going to get in the way of revenue from this whole exercise.

I was impressed by the remarks of the hon. member, Mr. Chambers -- he certainly has a good background. And he also expressed grave concern as to whether we know exactly which way we are going. And then he summed up by saying, but notwithstanding those fears, and the fact that we really haven't got all the facts too straight, that he is going to support the minister.

It reminds me of an American joke, he says; "Damn our principles, let's stick to our politics." That's the way you can sum up some of these remarks, but I'm sure that all the hon. members opposite are not of one mind; this is a controversial issue. I was rather pleased to see our hon. Minister of Mines and Minerals come back with so much exuberance, and he keeps telling everybody that his door is open. Sure it's open, but we need an open mind in this issue. He says that the hearings were so tremendous, such a tremendously successful hearing that it is one of the highlights of the last 36 years of legislature in this province. I would like to ask him to answer, when he speaks, that since they were so

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informative and so well done, well received, did the representations in any way change his mind as to what he had determined before? If he could be specific I would appreciate it as I believe that is a fair question.

One of the things that concerns me is that I'm like most members here, we know that we need more money, and we would like to get it somewhere. The government has chosen one path the line of least resistance, or at least the least criticism from the public, to see what you can get from the oil industry. Actually there is nothing wrong with seeking more revenue, but I'm of the opinion that it is not going to satisfy or in any way begin to take care of the very ambitious programs that this government has. The taxpayer, before he rejoices that some of the big companies will have to pay more, must be seriously concerned that the axe may well fall on him in the near future.

I'm sure that the hon. Provincial Treasurer might say that I'm wrong, and I'd like to hear him say that there will not be any more taxing -- we are doing all right, we'll take it from those who have it, the big companies, and we will be happy for a number of years to come. But I do think that our Premier is rather ambitious in many programs. He hasn't even started spending in some of things he proclaimed. This is going to hurt the people of Alberta, it is going to hurt the taxpayer. I also believe that it behooves every member here, and particular the opposition, to bear in mind that the paramount purpose why you are here is that taxpayer concern is important, and you can't just solve the problems of this province by seeking how to get some fairly easy money, particularly from a popular source, because that isn't an end to all things at all. Whether they get \$50 million, \$75 million or \$90 million -- and there's no reason to say that if they implement this tax that they won't get more -- is it going to satisfy the ambitious programs of this government? I say it isn't. I say that the municipalities already have an outstretched hand for more money. I'm not saying they are going to get it.

The ATA was here to tell you that you sort of cramped their style in education, you have thrown them for a loss, but the day of reckoning is around the corner and they are going to need more money. I'm not at all convinced that because there is lull in university attendance, or a slow-down in enrolment, that we can count on it. I believe that with the colleges and other systems feeding more students into our universities that within the next three, four or five years we had better be alert to the fact that we may well be short of university space. A slow-down for a year or two is not an indication of what will happen in the future.

So with just those few remarks, Mr. Speaker, I think that this government ought to be cautioned that the way to solve our economic problems in this province is to try to listen to the taxpayer, who may have said more in the last election than meets the eye, that the government had better pull themselves together and cut some of their wild promises and some of their spending, because the day of reckoning is not too far down the line.

I suppose some hon. members may disagree with me, but the spending program of the Conservative government is certainly ambitious, is certainly growing, and some very outstanding business people have warned you that maybe that is what you had better do. The Chamber of Commerce, which is representative of a cross section of business, has warned the government that perhaps you had better look at your spending rather than seek more revenue, and particularly at a time when the government, in contradiction to what it is doing now, is very seriously going to pump money into the economy of the province to try -- and I say 'try' advisedly -- to bolster industry and create jobs. I think that if the hon. minister's mind is open, as he said his door is, he must listen to some of the businesses who

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tell him that we might create some unemployment. It doesn't solve the problem of employment at all if you create unemployment in one sector, even two or three thousand, and then spend millions of dollars to create employment elsewhere.

These are some of the concerns that I have, but the main one is that the taxpayer -- the average homeowner, the average worker -- is going to find, too soon, and much to his disappointment, that before this government is through he is going to be dingd for a pretty hefty increase in taxes, regardless of what level.

MR. YOUNG:

Mr. Speaker, I would like to speak rather briefly on this matter. First of all, to say that I think all members here recognize the significance and the contribution of the oil industry to Alberta. This came through very clearly in the hearings. I believe that the hearings themselves are a demonstration that there has been no precedent before in Alberta, of the concern and the significance that this government holds for the oil industry to our economy.

Mr. Speaker, those hearings demonstrated several things to me. The first one is that we have every reason to be confident of the future of the oil industry in Alberta. We heard a few pessimistic statements. We heard statements about the huge oil plays being outside of Alberta now, and for the moment this is probably correct. I say 'for the moment,' because people who make statements of that order have neglected to consider the tar sands.

However, we also heard some very optimistic statements from some of the companies and some of the representatives of the industry, about the amount of oil which may yet be found -- found possibly in smaller pockets, but found nevertheless in this province -- and that properly husbanded and properly stimulated, could provide a very excellent economic base for our economy.

I have a few questions arising out of those hearings. In view of some of the comments that have been made, I should like to mention a couple of those questions. I think, for instance, that some of the statistics given to us should be examined extremely carefully. I suppose I am suggesting that this should apply to the statistics on both of the extremes that were presented to us.

One of the concerns which I had throughout those hearings was to determine what might be equitable with respect to the industry. I found that extremely difficult, because from an investor's point of view, one has to look at the return that has been achieved and that can be anticipated to be achieved, with the investment already made. It has been indicated to us that this is a very high-risk industry and, indeed, that is the case. It is perhaps more high risk, relatively speaking, for small companies than large. However, from an investor's point of view I think we would have to look at the return on investment and the best procedure for doing that would be on a discounted cash flow basis.

Some of the statistics that were presented to us were very far off the mark here. We had in one submission a suggestion that past investment should be considered at the nominal rate of 10 per cent. In fact, if one is going to use a discounted cash flow basis, one should use the cost that was incurred in the borrowing of the funds for that original investment. Having checked the interest rates for the bond issues of some of the oil companies back at the early stages of investment in Alberta, an interest rate in one case of less than 3 per cent, quite frequently of 5 per cent or less, would be much closer so that in fact, the suggestion -- the wild suggestion -- of a \$5 billion shortfall in revenue to expenditure is wildly exaggerated, with due respect to the industry. I'm not sure what that shortfall would be, but however we would calculate it I think the truer figure

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would be much less than a billion dollars at this point in time. And there are many millions of barrels of oil already located in place, so that from that point of view the industry looks forward only to the expenditure necessary to put those barrels of oil into a pipeline. The locating has been completed. And to properly consider the return that should have occurred or can be anticipated on the investment already made, one would have to consider the income which might be attributable, again, on a present value basis for that future flow of income, and I think that would show us a very different picture.

Some comments were made with respect to the discrimination which may be directed by this government toward the oil industry. I think these are not valid -- not valid in any respect -- almost any kind of system of taxation that one wishes to impose, discriminates between some of us and some others of us, and that is as it should be, given the different nature of the kinds of businesses, and the kinds of income flows that we have in our economy. So I suggest that while this was bandied around, it shouldn't be taken seriously.

Perhaps less seriously should be taken some of the highly irrelevant comments which we have just heard from the hon. Member for Calgary Mountain View. And I say this with respect to some of the predictions of wild expenditure on the part of this government and the improper -- perhaps that's making too strong a statement out of his suggestions -- but the anticipated wasteful expenditures of that money. I think we have very clearly demonstrated that this government will not proceed in that manner. We have shown a great deal of caution with respect to educational expenditures, we are showing them in many other directions. We have shown as a government a great concern for equitable treatment of our citizens, we have shown a concern for the economy of this province, a concern which to this point had not been adequately shown, and I think that is a good basis on which to begin to build investor confidence, if indeed we have to begin to build it. Which leads me to my next point.

Much was said about investor confidence. And I think with respect to the oil industry we need to keep two things in mind. One, that the industry is really a composite of many different types of companies. Some of those companies are in a vastly different position than others, and any tax which is imposed, I am sure, will be prepared with that in mind. There is just no question that the drilling industry is a very labour intensive industry; it's a very localized industry, it's less likely to flee -- the independent drillers are less likely to flee this province than the very major oil companies. The same can be said with respect to the smaller oil companies, and I would have hoped during the hearings to have been able to obtain more information on the structure of the industry. I am still hopeful and will take the hon. minister up on the invitation that he issued to be supplied with additional information.

With respect to the last part of the investor confidence issue in the oil industry, I detected throughout the hearings from some of the companies and some of the representatives of the industry that they would like to have an additional opportunity to discuss their problems with the government. I am sure that this will be provided to them. I hope, in view of the hearings and their attendance at the hearings, that they will now be able to come back and appreciate much more completely the position of the government, the position of the various facets of the industry, and the position and the attitude of the citizens of this province. I think with that appreciation we would not only hope that they will come back, but indeed I would invite them to come back and to come back with a positive approach.

My final point relates to my attitude toward what the industry might be able to bear. In prefacing my comment on that, I would like to point out to the hon. members that while we may talk about an increase of the magnitude of 50 per cent, if you will, in rates, in

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fact almost a half of that will be deductible for most oil companies from the revenue which would otherwise go to the federal government. So that the net impact of taxation by the province upon the oil companies, if it is properly and constructively done as I am sure it will be done, will be somewhat less significant to the net profit position of those companies than some of the percentages which were bandied around.

The other concern that I have arises out of the nature of the market picture for the industry and the likelihood of price changes. If I had my "druthers", I would "druther" see a sliding tax, one that could be adjusted periodically. Perhaps that would be something that could be left with the minister to consider, a tax which might be an increase over what it is now for the first two or three years and then another staged increase in another two years. Because from all that we can understand of the anticipated price increases, they will continue from year to year. The oil industry itself suggested that this will happen. And if that would happen it does improve the ability of the industry and the profitability of the industry. We should share in that profitability. In short, I would like to see some kind of a staged tax, if that can be arranged, to at the same time maintain investor confidence. That implies a stability in the tax structure.

My last comment is that from what I observed of the hearings, I hope the minister will tend toward the high side of the range.

MR. HENDERSON:

Mr. Speaker, I feel it is in order to offer a few comments on this particular bill. Particularly, we should just put in perspective what it is we are discussing today. I think it is generally agreed by all hon. members of this House that it is in order that an increase in government revenue should be forthcoming from the industry. What we are discussing, I think, are the ways and means of achieving that return from the industry, one that will be the least objectionable, and it is axiomatic that any increase will be objected to by the industry. So we are talking about what is least objectionable and what is in the long-term, in the overall question of future development and so on and so forth, in the best interest of the people of the Province of Alberta.

In that regard, the industry itself has stated that it is anticipating an increase in royalty or some sort of an increase in revenue that would be forthcoming from the industry into government coffers. So I think on the basic objective, there is pretty general unanimity. When we get down to the details I think is when we come to somewhat of a parting of the ways.

A number of members opposite have spoken expressing their reservations about the position paper of the government, but then they are prepared to vote for the bill because of confidence in the individual men involved. Mr. Speaker, in expressing that confidence, they presumably are judging on the basis of information that they have privy to which the public is not, and the members of this Legislature are not. We in the Opposition, and I think the people of Alberta, are forced to judge on the basis of what the government does, and not what it says it's going to do.

In this regard, Mr. Speaker, I see a very severe fundamental contradiction between the action of the government on Bills 54 and 95, and the position paper. I think one of the things we are not debating this afternoon is the position paper. The Premier and the minister seated opposite have stated that it's a tentative position paper. But that's not what we're talking about, Mr. Speaker. What we're talking about is no longer tentative. We're talking about elements of the position paper which are framed in legislation and statutes and are before this House today. I'm forced to judge, as a

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member of this Assembly on this side of the House with the responsibilities we have in Opposition, by the government's actions.

We have debated two bills that are very pertinent to this exercise this afternoon. If one looks at the bills they aren't tentative. They come into effect on assent -- not even by proclamation, but assent. I have to suggest to the members that the position of the government has gone way beyond the tentative stage. It has now reached the point of action. The only thing that's left, once these bills are passed, is basically the matter of regulations to deal with the question of how they set up the assessment structure, the ground rules for judging how much the reserves are, how much discount they are going to apply for the reserves that aren't going to be produced for some years hence, and so on.

So I find, Mr. Speaker, that I can't, with any confidence, accept the suggestions that the government has an open mind on the subject. If they had, we wouldn't be debating these bills today. In fact, I am forced to judge, as a member of this Assembly, that this government has made up its mind. I read into the position paper, before the bills came in, that it had made up its mind. One of the conclusions that they apparently arrived at was that there was no further need for oil exploration development in Alberta. Most of it had been found. The industry was going to go downhill anyhow. So let's make hay while the sun shines -- get as much out of the royalty, get as much out of the industry as we can get while we still are producing oil in Alberta. If one proceeds on the original hypothesis that the gravy days are over, I would think the second conclusion is a logical one from the standpoint that Alberta citizens own 85 per cent of the mineral rights in the Province of Alberta.

The so-called drilling incentives that were included in the position paper aren't really relative or particularly of any incentive to small or large developers. I think this was pretty unanimously stated by all the people who appeared before the committee and are involved in the business. So Mr. Speaker, we're not talking about open doors of Cabinet Ministers where anybody, including members on this side of the House, members on that side of the House, members of industry, can go in and debate about it. Because after it's been debated, the bills have been assented to, I think the debate is somewhat academic. So all I see that the government is talking about considering, once these bills are through, is how much the load should be. This clearly is a responsibility that the government has, and in their wisdom will have to arrive at. I have no quarrel with that. It's a matter of judgment, and it's a matter of judgment that they received a mandate from the people of the province to exercise. So we expect that they will exercise that judgment. But let's not stand here and talk about a position paper that we're debating, because we're not. We're debating statutes that become policies of this government, so far as the people of the Province of Alberta are concerned.

So I come back to this point: I am forced to judge where I should stand on these bills, notwithstanding general agreement on the basic objective of increasing return from publicly owned resources, specifically the oil and gas industry, and transfer of additional funds from the industry into the public coffers -- but I am forced to judge on what I see that the government has done, what its action is, not by expressions of confidence that the government is going to backpeddle sometime down the road on the statutes they have before the House. Maybe they are; maybe that is part of their tactical manoeuvre. I don't know. If it is, I disagree very strenuously with the method by which they have set out to increase the return to the people of the province. But once again, that is a question of difference of opinion over the method of achieving these goals.

Mr. Speaker, the main reservation I have about this bill doesn't relate to anything that has been said thus far in this debate. I

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have to say right now that my decision whether to vote in favour of the bill or in opposition to the bill will, to a large degree, depend upon the success that the hon. minister has in demonstrating that the proposed scheme of taxation of oil in place will not prove detrimental to enhanced recovery schemes in the oil industry. The members of the committee heard, last week in the hearings, that the 8 to 10 billion barrels of reserves of recoverable oil that is generally accepted as the reserve figure within the province exclusive of the tar sands, represents something like 30 per cent of the oil in place underground. While it sounds like a lot of oil -- 8 to 10 billion barrels and a lot of money -- it represents only one-third or less of the oil that is actually in place in the reservoir. I spoke on this when the promised position paper came in and was concerned about it. I am even more concerned about it when I judge by the government's action, not by what it says about having an open door policy, because the door is going to be closed once these bills go through.

I conclude as a member of this Assembly, when I cast my ballot one way or the other, the government obviously has the authority to go ahead then, and a responsibility to implement it.

Mr. Speaker, the members of the committee also heard one major company -- and this is one of the fallacies that is in this exercise, that there is some magic line between major companies and minor companies. There isn't. Big companies have lost money in the province; and big companies have made a lot of money in the province. I realize the government is trying to find some way of decreasing returns from those that are reaping substantial profits without it being to the detriment of those that aren't, and hopefully, without it being detrimental to future exploration and development in the province.

The members of the committee heard at the same time one company -- Mobil -- make their presentation to the committee. I asked them the question as to how much of their oil in the Pembina field, for example, which is one of the largest fields in Alberta and has one of the largest reserves of any field in Alberta -- how much of their reserves that they presently carry so far as their economics or their status is concerned, were related to secondary or enhanced recovery schemes? This is the oil they will get out of the wells from anything other than natural means of flowing production or simply pumping out what comes into the well hole.

They told the members that 80 per cent of the oil in place of their recoverable reserves was due to enhanced recovery schemes. I think the members of the Assembly will have to accept on faith the fact that -- and I think Mr. Chambers would substantiate this -- that the implementation of enhanced recovery schemes is particularly time-sensitive in many reservoirs. One doesn't produce all the oil he gets by natural means and then start secondary recovery and then start producing oil again at a higher rate and keep on going. They are very sensitive to the time at which they commence enhanced recovery.

In those pools that are sensitive, it is critical in most cases that it be done early in the life of the field. It is an engineering fact, and I won't go beyond that at this point. But it is sensitive. So you can imagine the impact of this tax policy incentive towards secondary recovery. A company, within the first five years after the field is discovered, while their wells are still producing at an acceptable rate of production, is making reasonable profits. But with the view of maintaining the flow of income and recovery of oil 10, 15, 20 years down the road, they choose, at this point in time, some three, four or five years after discovery, to implement an enhanced recovery scheme. In the process of doing it, they increase their book reserves, as in the case of this operator, five-fold. Now immediately when that happens, unless there is some way around this

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in the government's policy, in the application of the tax structure they have here, immediately the company is subjected to a five-fold increase, presumably on its reserves, that is oil that is not going to be produced in Pembina, I can assure you, until probably, some of it, 20 years from now, or later. And this is a fact.

Now when you realize that we own 85 per cent of the oil resources in the province, and gas reserves, mineral rights, and you realize with the present technology that only 30 per cent of that oil is going to be recovered by techniques today, and when you realize that there is still 70 per cent of the oil remaining underground, and we also realize that the Oil and Gas Conservation Board has pursued the policy for many years, even when abandoning oil fields, after they have recovered what you can get by primary and secondary recovery, they insist the companies leave so many wells in the ground with casing. I recall in Leduc, for example, which is in a latter stage of depletion, it is required that the casing be left in one well in four, and be left there, available there, for the prospects of tertiary recovery. Some time down the road the technology will improve, they can go back into those reservoirs, they can implement new schemes, new forms of technology, and put the field back on production. And so the Conservation Board has pursued a policy in the province, with the direction of the previous government, of promoting enhanced recovery schemes, encouraging industry to do it, and they recognized that in the form of higher allowables.

The board has also looked way down the road in insisting that industry doesn't pull the casing out of all the wells they abandon, but that they leave, on a pattern basis, casing in place in a number of wells with the prospect of enhanced recovery, so that sometime in future, if the technology develops, that industry can go back in and go to work on the remaining 70 per cent of the oil that is still going to be underground after they get the eight to ten billion barrels.

This is the only reservation in particular I have about this particular bill. I don't really shed too many tears over the freehold leaseholder. I think of Petrofina, Mr. Harvie's company in Calgary, he can afford to pay more taxes just as well as Imperial Oil or anybody else can on his freehold acreage. So the question of it being applicable to freehold acreage -- I don't see anything wrong with it. If it is a tax it should apply. A tax of this type should apply to all of it.

But I do have a real concern -- as a citizen of the province, as a member of the Legislature, and as an engineer who has lived and worked in the oil industry all his life -- about this proposition that will seriously detract, the way it is stated now, from efforts on the part of industry to implement enhanced recovery schemes, because industry simply is not going to make the investment to develop and to install the enhanced recovery equipment, techniques and so forth, if they are going to subject themselves, in this illustration of Amoco, to a fivefold increase in reserves and an immediate increase in taxation.

One of the features about the Pembina field is that increased reserves aren't particularly reflected in immediate increases in production. Because all the enhanced recovery does is guarantee that the well will continue to produce at a higher rate for a longer period of time. But it doesn't increase the amount of oil immediately that they are getting out of the well. So by putting the enhanced recovery scheme in, they are not assured of any higher production rate on a day-to-day, month-to-month, or year-to-year basis. They could be subject to substantial increases in taxation and I think that we would be extremely negligent in our responsibilities to the people of this province, if we were to let a tax scheme such as has been proposed, bring about this detrimental end, because there can be no question it has serious consequences.

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If there are any other alternatives available as a means of getting this revenue, I suggest, Mr. Speaker, those alternatives should be examined, unless the government can draft regulations or guidelines that somehow or other can exempt oil which supposedly is included in the category of recoverable reserves that results from enhanced recovery schemes. From my experience, Mr. Speaker, I don't think they can do that, because there is no clear cut demarcation between what are primary reserves and what are secondary reserves.

Maybe the government has got this thought ahead -- and in spite of the fact that we are not talking position paper, we are talking government policy, we are talking government legislation -- that they have some way figured out around this so that it isn't going to further compound the many serious difficulties that are going to be presented during application of this particular statute.

I have to say, Mr. Speaker, in the absence of a clear definitive statement from the minister -- not something that I can accept on faith, but a factual statement that they have in hand the method by which they will see to it that the citizens of Alberta will not be deprived of the economic benefits that will be forthcoming if we can increase the recovery from known fields from 30 per cent to 50 per cent -- unless he can demonstrate that, I have to say, Mr. Speaker, that while I support the basic objective of increasing revenues, I have to vote against the bill, because I say the benefits that are going to be achieved are going to be insignificant compared to the long-term, serious negative effects on the maximizing of all recovery from existing reservoirs.

It doesn't lead me to be encouraged about the government not having their mind made up about this matter when I hear the minister in his concluding remarks on Bill No. 54 very casually dismiss the fact about the importance of the oil royalty in the statute. That has been in the statute since 1949 and it's right in there. The maximum royalty in the first term is two-thirds applicable the first term. That is pertinent to the incentives, because that is where the operator gets his money back during the first term. So I hear a lot of hesitation about the time that would be applicable to them if this is left to regulations. So, Mr. Speaker, according to what he quotes in the act that 16 2/3 is directly applicable in the act -- and it has been there since 1949 -- to have the minister stand up and dismiss it as so much eye-wash, and completely irrelevant whether it is in the act or not, completely shatters my confidence in the hope that the government hasn't a closed mind on this. That notwithstanding the fact that the bill we are talking about is going to come into effect on assent, notwithstanding the fact that Bill No. 54 dealing with the royalty maximum comes in on assent, that they are going to re-examine the policy direction upon which they embarked.

If I did have that confidence I wouldn't be as greatly concerned about this matter. Because there are, Mr. Speaker, some very serious ramifications for the people of the province. I would rather run the risk quite frankly, of being voted down in my constituency for having acted responsibly and maybe unpopularly; I would rather do that than be a party to see this Assembly and the present government take a short term measure that will put a few dollars in the treasury that will prove a disaster to the people of this province 20 years hence. So I very seriously and sincerely call upon the minister to inform the members of this House specifically that they have in hand methods by which they will assure that enhanced recovery schemes will not be affected by this bill. And if they can't, Mr. Speaker, I suggest that we should look at the other two alternatives and one is the net profit proposition that was mentioned in the policy paper and the other one is the re-examination of the royalties.

I, for one, have to say that I don't accept the argument that the former administration has produced in a partisan political way the effect that the royalty agreements are statute, that they are

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bound by commitments that they are inviolable. I don't agree with that at all. The industry knew full well that in a ten year period these royalties would be reviewed and they were expecting an increase.

So to suggest that because of political action of the previous administration they have no course but to inflict these present policies or propositions upon the people of the Province of Alberta, I just don't accept, because it would be far better to go back to the royalty agreements and as a result of bilateral discussions and negotiations come up with a proposition on the royalty business. It isn't going to be liked by the industry -- I don't know anyone that will stand up and say, "I opt for paying more taxes" -- personally or as a company -- it is a foregone conclusion they won't.

But I say, Mr. Speaker, it was also a foregone conclusion when the government put the industry in the position of being an adversary, brought them before the Legislature, and called upon them to justify why they shouldn't be paying more taxes, I think the government has to be extremely naive --

AN HON. MEMBER:

Agreed.

MR. HENDERSON:

Because in putting the industry on trial in that manner -- nobody goes to court pleading for a lighter sentence, or a lower fine. They go before the public pleading 'not guilty'. To hear the government stand up and say how disappointed they are that no alternatives were being presented during the hearings -- I just think they have to be completely naive about the subject, because there was no way industry was going to come before this Legislature and present alternatives that would be more palatable. The government should have gone to the industry and had the discussions before the fact. They should have then come up with a proposition that they felt was a desirable one in the public interest, and was tenable with the industry, even though the industry isn't going to like it -- that's a foregone conclusion -- and brought it in here and then had the hearings on it, and then made a final decision.

In my view, they have done some very serious damage to the future economy of this province with their present techniques. Their actions, relative to this bill and Bill No. 54 demonstrate to me, Mr. Speaker, that the government has misread completely the method by which it was possible to go about attaining the increased revenue without having paraded a confrontation. I don't see too much difference -- there is a difference -- but we don't see any progress made in the labour business, where there is a confrontation publicly between industry and the employers. You don't make progress that way. The hon. Minister of Labour knows that. Certainly a public confrontation on this issue was not going to make any progress. It might be good politics for the short term but the long term consequences should give cause for a lot of second thoughts.

If the government, Mr. Speaker, decides that Bill No. 95 stands, Bill No. 54 stands, there is no way they can talk about going back to industry and, as a result of negotiations, coming up with a position to change the royalty business -- notwithstanding the leases, notwithstanding the royalty agreements, notwithstanding a commitment in the act -- they should still look at the proposition of the net profit, to see if it is constitutionally sound, because at least -- mind, it may be complex -- at least it wouldn't be detrimental to encouraging industry to implement enhanced recovery schemes that are going to assure us that 70 per cent of the oil, in oil and gas leases owned by the people of Alberta, are not going to be left underground.

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As I say, Mr. Speaker, I await the concluding remarks of the hon. minister before I make up my mind where I vote on this bill.

MR. KING:

Mr. Speaker, I hadn't meant to involve myself in the debate, but I would like to say a few words. The question of the bill is entirely judgmental, as I think an hon. member has already mentioned. I would like to say that I am not sure of the position of all the other hon. members of the House, but the hon. member for Leduc is entirely correct when he says that minds have been made up, insofar as I myself am concerned.

On the basis of the information which I have received during, prior to, and subsequent to, the hearings I have made up my own mind. I have made a judgment. I would like to state briefly why I have made this judgment.

The people of this province are the owners of a non-renewable resource. I think it is important to recognize that we are the owners of the resource. It is a resource which cannot be replaced or resold. It is a resource which is being produced and is being depleted. Contrary to what one of the people said to us when appearing before the hearings, oil is not like leather, which is in inventory. A tanner always has access to more leather which he can produce and resell to producers of shoes or anything else. When we have gone through our oil, ten, twenty, or thirty years in the future, we're not going to have access to some other commodity which we can sell on the world market, unless we take steps now to diversify on the basis of the resources to which we presently have access.

One of things that was very interesting to me when I was in university was an economic history of North America, in which the point was made that 100 years ago Nova Scotia, on the basis of wood and steam, or rather wood and sailing power, was one of the most vibrant economic areas in North America. It had tremendous potential ahead of it, and it is today considered to be a 'have-not' area of Canada and of North America, because of its inability to recognize that technological and economic change was going to take away the primary underpinning of its economic system. It failed to realize that it had to take advantage of its current situation in terms of sail and in terms of wood, and diversify into those areas which were going to provide future strength for the economy. Appalachia in the United States is another example.

I think that this is something which has to be considered by us, that we must now, at this point, make some kind of a judgment for which we are going to have to stand responsible about the use of a resource which is not going to return to us when it is gone, and which is not forever going to provide the economic underpinning of this society. I think this is what each of us has to be responsible for. I would like to say, as one member of the Legislature, that the hearings last week did not suggest to me any sufficient reason why this government and this province should not be seeking on the open market a higher price for the resources which we own, which are in demand, and which are in the process of depletion.

MR. SPEAKER:

Are you ready for the question? May the hon. minister close the debate?

HON. MEMBERS:

Agreed.

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MR. DICKIE:

In view of the time I'll make my remarks very quickly, Mr. Speaker. Firstly, I appreciate some of the concerns expressed here, and some of the thoughts that were advanced -- I think however, the one I have to answer in my short time deals with the point raised by the hon. Member for Wetaskiwin-Leduc, to get him to vote for the bill. That's the question of secondary or enhanced recovery. We heard it during the hearing, and certainly that is one of the points that we are presently assessing and evaluating at the present time. I am unable to stand in front of him today and give him a specific answer on it.

I think one area that he has, however, overlooked, and I'd like to mention is, that when we talk about fair actual value -- when he's talking about secondary recovery, he talks about the cost being included fivefold. I think this is one of the tests and one of things that would go into the formula in determining fair actual value. What would the willing buyer, not forced to buy, be willing to pay, and what would the vendor be prepared to sell for? And that's when you take into consideration the question of reserves, the discounted factor, the amount of them, and so forth. And might I suggest to the hon. member that those reserves might be in a little different category for evaluation purposes than the other amounts.

However, I appreciate his other concern as to just exactly what would be the effect on the question of secondary enhanced recovery, of what kind of tax, and what kind of an increase in revenue, and I can't specifically give him answers today. But we are looking to the question as to what would be the royalty increase, or the tax result in that situation. And by the time we are in a position to make our decision, we hope we can satisfy him so that he can say he supports us 100 per cent.

The other area I think I must answer is the question of whether we have an open door. We have an open mind. Certainly there is no question on that, there are many areas that I could point out to the hon. members where we feel this plan is still flexible. There are open areas for movement and those are the things that we are looking at, and, who knows, there may be somebody come in and say, "here is another alternative that hasn't been considered that we'd like to take a look at."

All we're suggesting today is under this bill in which we have suggested an amendment, and the amendment will be coming forth, it will come in force and effect by proclamation, July 30th, when we make the decision. Then the government has the power at that time to implement the program that it desires, then have the necessary legislation to carry that on. If there were amendments later, they could be made subsequently. But we want to be in a position so at that time, when that moment arrives we can make that decision and that is why we are asking hon. members to support the bill at the present time.

MR. HENDERSON:

Mr. Speaker, in view of what I think is the extreme importance of this question, I would like to ask the hon. minister one question. If the application amendment to make the bill come in by proclamation is applicable to this bill, I ask him very seriously to consider the same thing on Bill No. 54, because the arguments are equally applicable to both bills.

MR. SPEAKER:

The hon. member is not asking a question, he is debating it.

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MR. DICKIE:

Mr. Speaker, I would like to answer that, because I consider them different. That is the trouble I had when following his argument. He jumped from one bill to the other. On this bill he is debating the other bill, and on the other bill he was debating this one. I am really not so sure he has got the full grasp of them yet.

MR. SPEAKER:

Are you ready for the question?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

In order to make it abundantly clear that the hon. Member for Camrose and the hon. Minister of Highways are not voting on this bill, I would like to mention that they are, at this particular moment, not in the House.

[The motion being carried, Bill No. 95 was read for a second time.]

MR. SPEAKER:

The House stands adjourned until 8:00 o'clock this evening.

[Mr. Speaker left the Chair at 5:30 p.m.]

* * * * *

[Mr. Speaker resumed the Chair at 8:00 p.m.]

GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill No. 96
The Oil and Gas Conservation Amendment Act, 1972

MR. DICKIE:

Mr. Speaker, I move, seconded by the hon. Minister of Public Works, second reading of Bill No. 96, The Oil and Gas Conservation Amendment Act, 1972. The principles involved in this bill really are for clarification. The first definition of "well" is to make sure that, particularly for a coal test hole over 500 feet, they are licensed and the board can keep track of such coal as it is being exploited.

The second deals with the powers of the Energy Resources Conservation Board, specifically where its approval or authorization is required. It is clear that the Lieutenant Governor in Council can attach conditions.

Another area that involves a matter of principle is the concern of allocation of responsibility of natural resources and pollution control and the act clearly requires that where it is a question of pollution control, it is the Minister of the Environment whose approval is required.

There is one other amendment that I should mention, Mr. Speaker, which states that where a well has been abandoned unsatisfactorily that now comes under the jurisdiction of the Energy Resources Conservation Board. It is of particular interest to the members

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because if that well is abandoned unsatisfactorily and there is not sufficient revenue there to cover the cost of the abandonment, half of that cost now will be split between industry and the government. At prior times it was covered strictly by the government.

[The motion being carried, Bill No. 96 was read a second time.]

Bill No. 106 The Alberta Insurance Amendment Act, 1972

MR. HARLE:

Mr. Speaker, on behalf of the hon. Attorney General, I beg leave, seconded by the hon. member, Mr. Young, to move second reading of Bill No. 106, The Alberta Insurance Amendment Act, 1972.

[The motion being carried, Bill No. 106 was read a second time.]

Bill No. 107 The Public Lands Amendment Act, No. 2

MR. HYNDMAN:

Mr. Speaker, on behalf of the hon. Minister of Lands and Forests, I would like to ask leave of the House to bring up a bill that was introduced by him today, Bill No. 107, The Public Lands Amendment Act, in order that I could move that it be referred to the Select Committee on Foreign Investments. So I would ask leave of the House to bring it up at this point under second reading.

HON. MEMBERS:

Agreed.

MR. SPEAKER:

I take it the hon. Government House Leader has the leave of the House.

MR. TAYLOR:

Mr. Speaker, do we understand then that we will only have the second reading at this part of the session? Is it being referred to foreign investment committee for further consideration in the fall?

MR. HYNDMAN:

Mr. Speaker, I think it was mentioned by the hon. minister on introduction that it wasn't intended that he would move it to second reading at this stage, but rather, having introduced it, to refer it to the Select Committee on Foreign Investments so they could review it and come back with any appropriate suggestions for later in the fall.

MR. SPEAKER:

With that explanation, is the hon. Government House Leader's request acceptable to the House?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, I would move, seconded by the hon. Provincial Treasurer that Bill No. 107, The Public Lands Amendment Act, No. 2 be not now read a second time, and it be referred to the Select Committee on Foreign Investments with instructions to the said

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committee to review the bill and make such recommendations to the Assembly in respect thereof as it deems appropriate.

[The motion was carried without debate.]

MR. HYNDMAN:

Mr. Speaker, I move that you do now leave the Chair and the Assembly resolve itself into Committee of the Whole to study certain bills on the Order Paper.

[The motion was carried without debate.]

[The Speaker left the Chair at 8.07 p.m.]

* * * * *

[Mr. Diachuk in the Chair.]

MR. CHAIRMAN:

The Committee of the Whole Assembly will come to order.

Bill No. 24
The Margarine Amendment Act, 1972

MR. CHAIRMAN:

Please make yourselves comfortable. Slip your jackets off if you wish to.

Section 1

MR. SORENSON:

Mr. Chairman, I'll be very brief. I see that we are again faced with the "bread and butter" bill of this session. I think the government has been a bit reluctant to bring this bill to this point. It was among the first to be introduced and among the last to come to third reading. I notice that the hon. member who introduced the bill is in her place this evening after being absent for a day. I became quite concerned that maybe she was ill -- maybe from something she had eaten. I get sick just thinking of margarine. I don't know what would happen if I ate it! But I now understand that margarine is being made and produced from rape, so I think I might try it. Many of the hon. members are eating it, and the Bertha army worm just loves it.

The evidence and the anxiety and the opposition mounts against this amendment. Many farm organizations are not in favour of this. The following is an excerpt of a letter mailed to Mr. Jack Howard, radio commentator, Call of the Land, Alberta Department of Agriculture, from Mr. W.A. Wcolfrey, president of the Dairy Farmers of Canada. I'm not going to read the letter, just a summary.

"In summary, the only advantage to the consumer is deception, in that margarine can be passed off as butter. Colour does not improve taste or quality or make margarine any cheaper. As president of Dairy Farmers of Canada, and an executive member of Unifarm, I cannot condone legislation that would take a net \$750,000 away from agriculture for every million pounds of butter that is replaced by margarine."

Then there is a resolution, and I believe this comes from my constituency:

"Whereas butter generates a much greater farm income per pound as compared to margarine, and whereas a substantial amount of

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oil for the production of margarine is imported into Canada, and whereas colouring margarine the same as butter would encourage its use as an imitation, Be it resolved that the National Farmers Union oppose passage of the bill to have butter-coloured margarine marketed in Alberta."

I asked the hon. minister at the time of second reading if he had ever tasted margarine, and he said yes. I then asked him what it tasted like. He said, "It does not taste like butter." I wonder if the hon. minister would submit to a test, and allow his eyes to be blindfolded. Then we will give him a test with bread and butter and then bread and margarine. I doubt if he would bat a thousand on that one. You can get them to taste alike, look alike, packaged the same, and lay right along side each other in the dairy bin, but there is a lot of difference.

I'm saying no to this bill. I may just make the rafters ring when I do.

DR. HORNER:

Mr. Chairman, while the hon. gentleman is making the rafters ring, I hope that he will tell the people in Alliance, who have been trying very desperately over the past number of years to get a rapeseed crushing plant into operation in his constituency, exactly why he is making them ring. Most of the things that he said here this evening are in error, and with great respect to Mr. Woolfrey, his calculations don't take into consideration the costs of production per pound and, in fact, are not valid. I'm a little bit surprised that the ringing rafter type of opposition should come from Sedgewick-Corncation.

SOME HON. MEMBERS:

Agreed.

[Sections 1 and 2 were agreed to.]

Section 3

DR. HORNER:

Mr. Chairman, because of the fact that there is some time required, I'd like to move an amendment, if I might, to section 3, that this act comes into force on July 31st.

MR. CLARK:

1975.

DR. HORNER:

1972.

[All the clauses of this bill, the title and the preamble were agreed to.]

MRS. CHICHAK:

Mr. Chairman, I would like to move that Bill No. 24 be reported as amended.

[The motion was agreed to without debate.]

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Bill No. 34
The Sexual Sterilization Repeal Act, 1972

[All clauses, the title and the preamble were agreed to without debate.]

MR. KING:

Mr. Chairman, I move the bill be reported.

[The motion was agreed to without dissent.]

Bill No. 52
The Statutes Repeal Act, 1972

[All clauses, the title and the preamble were agreed to without debate.]

MR. TRYNCHY:

Mr. Chairman, I move that Bill No. 52 be reported.

[The motion was agreed to without dissent.]

Bill No. 59
The Hydro and Electric Energy Amendment Act, 1972

[All clauses, including Section 12 as amended, the title and the preamble were agreed to without debate.]

MR. WERRY:

Mr. Chairman, I move that Bill No. 59 be reported as amended.

[The motion was carried without dissent.]

Bill No. 61
The Social Development Amendment Act, 1972

[Section 1 to Section 5.1 were agreed to without debate as amended.]

Section 5.1(h)

MR. R. SPEAKER:

Mr. Chairman, is that Clause (h) on the amendment sheet?

MR. CRAWFORD:

Yes.

MR. R. SPEAKER:

There were two questions that we had raised in this bill, and I certainly don't want to prolong it into a debate. One was about a counsellor, and the second was with regard to a member of the Legislature. Part of it has been covered by (h), and regarding the other part that we were concerned about let me give an example and then the minister can respond. I think we all have cases reported to us where there is an indication that there could potentially be abuse or someone wishes to know, "Is that person receiving welfare?" What mechanism or what means would I as a member of the Legislature have of having the financial information as to whether someone is receiving \$50 or \$30, or \$20, and making some judgment as to whether

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there is abuse, so it can be referred to the advisory committees or referred to the minister? That's one example.

The second example or case that I have run into a number of times as a member of the Legislature is where a person will come to me and say, "That pensioner over there certainly needs some assistance. We're not sure whether she's getting assistance or not; would you check it?" Without embarrassing the person, you don't want to go and ask the person, "Are you getting assistance from the department?" But there are times when I have gone forward and checked and asked the minister -- part of the time I was the minister -- if I could get that kind of information. We could determine then whether we should send a social worker to see if the person needed assistance or not. The act, as I understand it here, does prohibit that and maybe the minister could comment.

MR. CRAWFORD:

Mr. Chairman, regarding the amendment proposed maybe I can start by saying what it does achieve and then cover what it doesn't. Because of the amendment to the part of 5.1, that is prior to subparagraph (a) I thought I would just mention to hon. members who are concerned about the position of municipal officials, that the effect of that is that we are leaving them in the same position as they are at the present time -- municipal officials and aldermen. We therefore were in the position that all we had to deal with is the question of the position of the MLA. Rather than presume that he was entitled by any interpretation to one of the exemptions under the next subsection we did go ahead and provide that, with the consent of the person whose file was involved, the MLA could certainly see it.

Two questions that the hon. member raised were related to the function of the MLA, and I would think that in the latter example used, it would be against policy for information like that to be available. It was a very straightforward example where someone, I gather, comes to an MLA with maybe the very well-motivated concern that so-and-so could use help and could some information be obtained. I think that all an MLA could do to be consistent with the policy of this legislation -- if he didn't want himself to express some concern to the person involved -- would be to go to the department and, rather than say "Is or isn't this person getting assistance because they appear to be in need of it? Go to them and say, "It may well be that this person is in need of assistance and I think you should undertake an examination." I think it has to end there rather than be carried further.

Then, going back to the first point, where we were talking about, say, the expenditure of public funds, the sort of problem that several hon. members raised last time, and because the allegation comes from B instead of A, you don't get the consent. In other words, the file is not that of the person involved, it is someone raising a question in respect to some other person's file.

I think there are several courses open for an MLA -- of course, the hon. Member for Little Bow would, I think, be in accord with me when I say that any minister with an MLA would apply the other section in a legitimate case of that type and consult with the MLA quite frankly, probably, over that particular file. I stress that the important part of this is, that even when the MLA gets the information, he is still not entitled to publish it. To me, that is vitally important. Therefore, the MLA is in the position where all he is doing for his own future course of conduct -- not for his own future publication in any way -- is getting certain information. I am sure that many, many such conversations take place between the hon. Minister of Social Development in most jurisdictions and concerned MLA's over such cases as in the example used -- we are still dealing with a file of a person who hasn't been asked yet to

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give his consent, and in the circumstances won't be asked to give his consent. It is a review generated by another person.

The second possibility that I would say to that other person is, "Why don't you file an appeal -- go to the Citizen's Appeal Committee?" This is something I hope that hon. members of the Legislature encourage in their constituencies -- the use of the Citizen Advisory Appeal Boards. They can be a powerful instrument in doing justice in cases like this. The necessary degree to which they have to know the personal circumstances of the individual is allowed for, again, in the exceptions. I don't know if there is another course that might be followed in such cases, except, once again, if the MLA didn't want to follow either of those courses, he could still go to one of the workers, or to the minister, and say, "such-and-such is a case where it may well be that an investigation would be in order, and I think you should review it." So there are at least three possibilities open to an MLA to deal effectively with a situation like that.

MR. HENDERSON:

Mr. Chairman, I would like to refer back to the question of municipal councillors. Do I gather that the definition of the word 'official' obviously doesn't usually include a councillor?

MR. CRAWFORD:

Mr. Chairman, if I might, I would just explain to the hon. member, and see if this maybe makes his question unnecessary. Municipal assistance, by definition in The Social Development Act, is called public assistance. The provincial assistance is, by definition, public allowance. My review of this, since the last time it was before the House, satisfied me that when we referred only to public allowance in the amendment that is before us now -- and you will note that on the typewritten sheet, the Xerox sheet, we have removed a big chunk of 5.1(1) where there was originally a reference to social assistance -- social assistance is municipal public assistance -- by removing that we have left the aldermen, municipal officials, and everybody in the same position they were, had the amendment never been proposed -- no change in their position. I think that really does answer almost any question that the hon. member might have been intending to raise in regard to the position of the municipal person. But if there is, in fact, a question I would be glad to try to answer it.

MR. HENDERSON:

Mr. Chairman, I just want to be certain of the interpretation here. The clause 5.1 deals with exemptions. I presume, unless it is spelled out in 5.1 as it is in the exemption part, that it applies to everyone else. Whether the interpretation the hon. minister places on the amendment is valid, depends in my mind on whether the word 'official of the municipality' includes a municipal councillor. To this point in time, there hasn't been this problem. Certainly, in the smaller municipalities most of the welfare cases and whatnot do go before council for review. I think it should be abundantly clear that it was the intention of the act that it doesn't apply to municipal councillors. Ordinarily, I wouldn't think the word 'official' does apply to an elected individual.

So I conclude that I would have some concern with the amendment as it states now, since you are spelling out exemptions. If the municipal council is exempt, the matter of definition isn't clear that the word "official", dealing with 2(b) includes a councillor. The word "councillor" should be spelled out or "elected municipal official" should be specifically mentioned in the list of exemptions. And I don't think the fact that you're leaving it as it is now is really applicable in this sense because this particular problem

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hasn't developed before, so with the law as it reads now, it's somewhat academic to what we're putting in this new act. So is a councillor exempt now? Because I don't see it in the act as amended.

MR. CRAWFORD:

Well, to answer, Mr. Chairman, I think I'll still have to refer back, however inadequate it may have been, to the previous answer I gave. But I'll do it from the other end perhaps this time.

Whether or not an alderman is an official of a municipality, I'm going to suggest, does not bear directly on the problem that was stated by several hon. members last time when they raised the very point which is being reiterated and which I did give consideration to in the meantime, namely that in smaller communities the person who is effectively dealing with the file may well be an alderman because of the absence of expensive civil services in smaller communities. However, when they do deal with public assistance for a resident of their community, the particular small community that may be the example, is not affected by this because this only affects public allowances, which is provincial assistance. And the public assistance which is paid under Part 3 of the act via the municipality has no effect at all. So I think that is the answer to that. Thank you.

MR. DRAIN:

Mr. Chairman, I've run into a situation where you receive phone calls and allegations that someone is on welfare or social assistance (which is the name in 1972) and that this person is abusing this particular thing. When you inquire at the Social Development office you find, one, the person has never been on welfare; two, has no intention of ever being on welfare. Then you can phone back and say, "well, OK, your story is wrong -- forget it." Now with this legislation, I don't think this can be done -- can it?

MR. CRAWFORD:

You mean the MLA who has received the inquiry and been given wrong information to cause the train of events to -- oh, I see what you mean; the answer from the department -- in your example you said, the answer is that he is not getting any welfare. Well, are you suggesting the information wouldn't be accurate?

MR. DRAIN:

What I'm saying is that I've had at least two cases where people have phoned me and said that someone is on social assistance, whereas they are not on social assistance, have never been on social assistance, hence cannot be abusing social assistance by virtue of the fact that they are not on it. It would give me a great deal of satisfaction to phone back and say to them, that such is not the case, which closes the thing. Because there is nothing that raises the hackles of the general public in a small town as much as social assistance, and certainly a lot of people look at this with their eyes closed and look at it wrongly. I personally don't believe that there is the type of abuse that some people think there is.

So I just mention, or ask rather whether under this section a person would be, one, not prohibited from asking, but two, if you did receive the information that such was not the case, would you then be permitted to say, "No, this person is not on social assistance"?

MR. CRAWFORD:

Yes. Clearly you'd be entitled to say, "No they're not on social assistance," because all this bars is the disclosure from files. And if there is no file, then you can say "there is no file."

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MR. TAYLOR:

Mr. Chairman, I think the thing that is worrying most of us is that when we receive charges at public meetings or over the telephone, or on the street, that John Doe is abusing social allowance, that he has no right to this, but he is getting social allowance and we want you to look into it, previously you simply went to the Social Welfare officer, and he gave you the facts. If you were convinced he was taking advantage of the situation you would generally say so to the social welfare officer and he would take it up with the department or sometimes cut him off right there. Consequently it is a good control against those who want to abuse the welfare or social assistance program.

The thing I am afraid of is that if the MLA's can no longer do that, we are going to close off one of the best possible controls of abuse in connection with social allowance. Generally speaking, people across the country just do not like those who want to abuse social allowance. We all have every sympathy for somebody who, through sickness or circumstances over which he has no control, needs assistance. I think their assistance should be just the greatest amount possible.

But I have no use (and I am sure every hon. member is in the same position) for those who try to get these things simply because they are lazy, because they don't want to exert an effort and they are abusing, they are parasites on the community and sometimes living better than those who are contributing to welfare. I don't think we should encourage that type of thing at all and this is what I am afraid of. If we carry this type of thing too far we are simply going to lose one of the best possible controls of the abuser and of seeking out the abuser of social allowance.

MR. HENDERSON:

Mr. Chairman, there is a third problem of this type that I think the hon. minister could consider and it doesn't really rest between what the hon. Member for Drumheller and the hon. Member for Pincher Creek said. I think most members would substantiate this fact that you get all sorts of ridiculous claims made about welfare abuses. In the past also, you would go to the welfare officer and he would give you the pertinent information. I quite frankly usually just drop a line to the party who raised the question and tell him the accusations are unfounded without going into any detail on the matter at all. This is in the best interest of the individual who is receiving welfare because the stories get grossly exaggerated in a great many instances as to the welfare that the individual is receiving. It is a subsistence allowance and a bare one at that, and all you hear are some far-fetched statements. With this proposition you will not be able to check on a matter such as this without the consent of the individual. I think in most cases, one isn't going to go chasing around his constituency for the information.

The only way around this that I see, if the hon. minister wants to put the amendment in here, is that I think we have an obligation and responsibility as MLA's to run these things down regardless of which way the argument runs, and that we are going to have to refer all the requests for information through the minister's office. This is the only other choice that I see in the matter. Either that or we are going to have to tell our constituents that we are restricted in law from requesting and receiving this information. And I don't think that would be in the best interest of this government or any other government on this issue. So this is a case that falls in between. There are pitfalls in it no matter which way you go. As long as the minister has no objection to having all of these funnelled through his office, this might be the other way around it. But it is going to be a very time-consuming exercise.

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MR. CRAWFORD:

Mr. Chairman, in some answer to both the hon. members who have just spoken, I think there are still the means described a moment ago through the Advisory Appeal Committee and through the minister's office and through the facility that the minister's office has through the investigating staff of the department, and so on, to refer this through to get fairly specific information. With the consent of the minister obviously, the MLA's still get that fairly specific information.

But I think that the disclosure of that information is the part that must be retained as confidential. It is at that point where serious injury could be done to a person by the disclosure of information which not only by law, but by all good sense, should be retained as confidential. At that point the member acts much in the way the hon. Member for Wetaskiwin-Leduc described. He goes back to the person who may have raised it in the first place and in rather general terms says, "I have looked into it or caused it to be looked into and the abuse that you imagined wasn't there."

I do think it is workable and I think a little bit of experience with this legislation will be a proper caution to employees to guard the confidentiality very closely, without materially damaging the ability of the MLA to perform this particular part of his many duties. I really think we will find it to be workable.

MR. TAYLOR:

Mr. Chairman, I think I am beginning to see what the hon. minister has in mind. The items that we have mentioned -- we can still continue to do that, but it is the disclosure that would be wrong. I think the amendment is perfectly satisfactory, if that is the case.

MR. BATIUK:

Mr. Chairman, I just wanted to mention, having had quite a bit of experience with this on the County Council, that I think that the confidentiality is minimized to a certain extent, because the council must, through resolution, pass any payments. Now here again, I can't see any reason why any of these documents should be released to anyone -- there is no reason.

Furthermore, as an MLA, if there is a complaint -- like some of the hon. members on the other side have mentioned, that people complain to them when they have no other place to go... Even during the previous administration there have been appeal committees, and all you have to do is to make your request to the appeal committee, and if that appeal committee has been moving around they should look after it, and if not, maybe it's time that they be replaced.

However, Mr. Chairman, during the second reading of this bill, I made a few comments and it may have been misinterpreted by some that I was opposed to the bill. This is not so. I had used the opportunity that time to point out some of the shortcomings of the social assistance system as it has operated and as I had experienced it in my years in municipal government. I do not propose to retract any of my earlier statements, as I believe there is a need for some serious changes. However, aside from my own objections to some aspects of the social assistance scheme, I must clarify my position on the bill before us. I do support it, and I think the bill should receive the support of all members of the House. I believe that the privacy of individuals should be the prime concern of any public official or employee, and I believe that anyone who is in the possession of private information about someone, and who releases such information for a reason that is not justifiable, should be penalized. However, when the public interest is at stake and

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disclosure is necessary to maximize benefit to the recipient, I believe such information must be used only with discretion. Such a disclosure may remove many problems for others and may work to make the social development system more effective and efficient. But I must support the contention that disclosure must not be made for any particular reason, and it is the responsibility of those in possession of personal files to honour them with the confidence and trust placed in them.

MR. R. SPEAKER:

Mr. Chairman, I would like to ask a question for my own information. As MLA's, we have gone to a regional office administrator and asked for information. At this point, can the regional office administrator provide us with information as to whether there is assistance received or not? That's the first question, and I think that's the important question.

MR. CRAWFORD:

The specific question was whether you could be advised by the administrator if assistance was being received or not. I would think so. That doesn't disclose the contents of any file.

MR. HENDERSON:

Mr. Chairman, I'd like to come back to the question of municipal councils. I'm still concerned about the explanation of the minister. When one reads closely Section 5(1)(a), this prohibition doesn't just refer to this section of this act. It refers to the whole act. If you read Section 5(1)(a) here as amended, "No person shall disclose to any person any file, document, or paper kept by any person in any place, that has come into existence through anything done under or pursuant to this Act." Now I read that as applying to the whole broad act, not just this particular section of the act that we're talking about.

MR. CRAWFORD:

I think it's intended, with respect, Mr. Chairman, that the act, of course, generates through the work that's done in the department, certain files for various purposes. It is those files on individuals that are subject to this restriction.

MR. HENDERSON:

Mr. Chairman, I'm still concerned that it isn't a matter of what's in the government's files. The municipal secretary, as the member opposite said, has to bring before each council at the municipal level -- maybe it doesn't happen at city council -- but certainly I say very directly that the municipal council I served on in the past before I ever came into this Legislature always had a statement that came before the municipal council from the secretary-treasurer relative to the payments of welfare money that he had disbursed to local citizens, which is 80 per cent refundable in most cases, by the department.

Now if this act in any way relates to that exercise, and that 80 per cent refund relates to this act, well then I find the minister's argument difficult to follow. He's saying that this act, The Social Development Amendment Act, doesn't have any relationship whatever to the question of municipal assistance. It's not covered by this act, and it's under some other act.

MR. CRAWFORD:

Mr. Chairman, I don't want to get into the position of giving a legal opinion, but the intention has been -- for what that statement

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is worth in view of the hon. member's interpretation -- that it leave the question of the municipal position in abeyance, and that it is not affected by this amendment. That is the intent.

MR. HENDERSON:

Mr. Chairman, it may sound like an academic exercise, but this act does apply to the municipal assistance that is paid out.

MR. CRAWFORD:

Under Part 3?

MR. HENDERSON:

Yes. You say that this amendment, these exemptions, only apply to Section 3. That may be the intention, but what is wrong in making sure there is no doubt about it as far as a municipal councillor is concerned -- is simply putting an amendment into subsection 2, which makes it clear that a municipal councillor is exempt, so far as the information is concerned. If you don't, I could see the argument developing, if somebody wanted to prosecute the matter in court, that a secretary-treasurer could be prosecuted for having revealed this information to the municipal council. The way I read it, if 1 (a) were made pursuant to section such-and-such of this act, as you have said, Mr. Minister, there wouldn't be any confusion on it.

The penalty applies that no person shall disclose any information that comes under the jurisdiction of this entire act, not just a sub-section or a particular section, or a particular part of the act. That is in your explanation -- I understand the intent, but I don't think the explanation covers the basic question, because the other part of the act to which you refer, and you intend to deal with, is still part of the act. Clause 1, 1(a), 1(b) just doesn't apply to the particular part of the act; it applies to the entire act, including the part in which municipal assistance takes effect. Am I wrong in this conclusion?

MR. TAYLOR:

Mr. Chairman, I wonder if I could pose one question along that point. No. 2(b) is the exception to No. 51.1. It says "to any official of a municipality". Under The Interpretation Act is a councillor not an official of the municipality? I think under The Interpretation Act he is.

MR. CRAWFORD:

Mr. Chairman, we are into the same position again, of me not wanting to be giving a legal opinion. I said to one of my hon. colleagues today, that I was always of the view that a municipal councillor was an official of a municipality. He said to me, "That is because you are an alderman. You believe in yourself."

Under The Interpretation Act, I can't answer the hon. member's question. I have believed that the definition of an official of a municipality includes an elected official. He is, in fact, an officer of a municipal corporation and thereby an official. I am now into a question of legal opinions.

MR. HENDERSON:

Mr. Chairman, would the hon. minister agree with this item of reasonable significance and could he get this checked out before we recess? I think it would be a very serious injustice (based on a technicality) to find municipal secretaries and councillors subject to prosecution simply because of the lack of clarification on this

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point. I gather there is no difference in opinion as to intent. It is basically a question of the wording.

MR. CRAWFORD:

I don't mind, Mr. Chairman, having this particular section held if hon. members wish, so that one point can be checked by the Legislative Counsel.

HON. MEMBERS:

Agreed.

MR. BATIUK:

Mr. Chairman, may I straighten out the hon. member from the other side. The secretary does not bring that information to the council. On the statutory meeting in the first week in January you must appoint a welfare officer, who must be one of the councillors. When he makes an inspection he is the one who brings his recommendation to the council. The secretary does not release information.

MR. HENDERSON:

Mr. Chairman, I beg to differ. I don't agree that one councillor dispenses welfare. The individual comes into the town office and the senior official is there. It is usually the secretary-treasurer. Maybe the large municipalities have a welfare office but the secretary-treasurer deals with the matter; the secretary-treasurer makes the decision. Then he has to account to the municipal council at the following meeting, for his action.

I realize that rural municipalities have -- I know the County of Leduc has a welfare officer. He still has to come in and report to the council. But that is not the argument. The question is, whether the word 'official' covers a municipal councillor. That is all we are talking about. The hon. minister has agreed to clarify it.

HON. MEMBERS:

Agreed.

MR. CHAIRMAN:

Mr. Minister, therefore, you wish to hold this Section 5.1(1)?

MR. CRAWFORD:

Mr. Chairman, my suggestion is that we hold the whole section 5.1.

HON. MEMBERS:

Agreed.

[Section 5.2(a) to Section 5.2(c) were agreed to without debate.]

Section 5.2(d)

MR. DIXON:

I would like to ask a question at this point, Mr. Chairman, to clarify a situation. When the welfare department -- I brought this up during Question Period, hon. minister, so really I'm asking for further advice, but at the time you indicated that the department was looking at it -- takes a person from vouchers and puts him on cash,

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the department has been paying the rent. When the party is put back onto cash and he does not pay the landlord the rent for two or three months, the landlord tries to get it back and he's not notified from the department that they are going to cease issuing the cheques to him.

Is the department going to make a practice of notifying the landlord when these people are taken off vouchers and put on cash, so he has at least some warning of what is going to happen? We have a case in a small town of one of the members opposite where this lady is out three months rent because of the very transaction. So the department writes and says she can sue them. How can you sue somebody on welfare? You're wasting your time. How are they going to pay it? So I think we should be more realistic and at least notify the landlord -- in this case it was a widow who was relying on this rent. She had given up her home and moved to the city. So I just bring this matter up to make sure that we do let them know, if the department is dealing directly with landlords, when we are placing the people on cash.

MR. CRAWFORD:

Just very briefly, Mr. Chairman, as a matter of practice it's my intention to consider doing that when the plan goes into effect. Because it would only have to be done the once when the change is made in the system.

[Section 5.2(d) was agreed to, Section 4, title and preamble were agreed to without debate.]

MR. CRAWFORD:

On the procedure it's being held, Mr. Chairman, so I don't think I make the motion to report it until tomorrow. We can do it all tomorrow.

Bill No. 62
The Maintenance and Recovery Amendment

[Section 1 to Section 58(1) were agreed to without debate as amended.]

Section 58(2)

MR. DIXON:

I just want to clarify a point here on Subsection (2) (a) -- "The amount by which the principle sum of the mortgage or agreement for sale has been reduced since payments mentioned in subsection (1) were commenced," and I was just wondering what would happen for example if a sister or a brother decided to make a payment towards the mortgage as well. You say the amount by which the principal sum of the mortgage or agreement for sale has been reduced since the payments. How would you take care of a situation like that? It probably won't happen in too many cases but I heard of the odd case where a brother or sister may say; "Well I'd like to pay some of it off in order to reduce the payments."

MR. ASHTON:

Certainly the way the section would be interpreted I would suggest that the word 'payments' refers to the payments made by the minister. In other words, it's the amount that the mortgage or the agreement for sale is reduced by the payments that are made by the minister.

[Section 58(2) was agreed to, Section 58(3) and title and preamble were agreed to without debate.]

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MR. ASHTON:

I move that Bill No. 62 be reported as amended.

[The motion was carried without dissent.]

Bill No. 64 The Surface Rights Act

MR. RUSTE:

Mr. Chairman, before we start on the details on that, in the report that was referred to in the House yesterday, it asked if possible that the hon. minister consider the removal of the transmission lines and so on. So we need clarification there. Was the hon. minister able to do anything about that?

DR. HORNER:

...Substantially the bill be enacted in its present form, and through the summer months, that we will develop amendments to clarify that position with regard to the terminals and with regard to other matters that the committee might want to bring forward. We could either have an amendment at the fall session or at the spring session of 1973.

I think otherwise, because of the relationship of this bill to certain other acts, that it becomes too complicated to have a simple amendment at the present time.

MR. RUSTE:

Is it clear that it is the intention of the hon. minister to proceed along those lines?

DR. HORNER:

Yes.

[Section 1 to Section 5(1) were agreed to without debate.]

Section 5 Subsection 2

MR. RUSTE:

In our committee discussion, there was a matter of two members here. There is no amendment for that?

MR. TAYLOR:

Mr. Chairman, if I could make a comment. After consideration, we decided to leave one member there, in the committee.

DR. HORNER:

I would rather carry it out in this manner, with the intent that two members would act as teams in various parts of the province, so that, in fact, it would only be on the occasional case where, because of illness or some other problem, one member might have to act. There are sufficient appeal and review provisions in the act so that, in my view, we won't get into too much trouble.

[Section 5(2) to Section 36 were agreed to without debate.]

Section 37(1)(a)

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MR. DIXON:

Mr. Chairman, I wonder if I could have clarification in this area. There is no provision made for someone to enter into a lease who didn't want to have the thing reviewed every five years. I can see by not applying to the board to have it reviewed, that would automatically take care of it, but you know -- we're always talking about stability. In other words, a fellow says, "I've got a ten year lease, I'd like to leave it for ten years at this figure," and the company would agree to that. We haven't given them any provision. So, every five years they can be reviewed. What I was trying to get at -- if I and the oil company decided that we didn't want the thing changed or looked at for ten years -- is there is no provision that I could do that? Where does that come in?

DR. HOENER:

You don't give notice that you want it reviewed.

MR. DIXON:

I realize that, but --

DR. HORNER:

It just carries on.

MR. DIXON:

Yes, I know, but people can change their minds in five years, either party, under this. What I am trying to say, if you get an air-tight one where they couldn't change their minds if that is the way they agreed to at the original time.

DR. HOENER:

... that they are reviewable in the five-year periods. If everybody is happy then there is no application for review and it stays the way it is.

MR. DIXON:

Sometimes they want long-range leases, and they are willing to sign them, not subject to government change.

[Section 37.1(a) was agreed to without further debate.]

[Section 37(b) to Section 45 were agreed to without debate.]

Section 45(2.1)

MR. HARLE:

Mr. Chairman, unfortunately I haven't got the report of the Committee of Law and Law Amendments in front of me, but there was a recommendation made by the committee which will affect this particular section. Without going into a lot of details this is the section which, in effect, will transfer certain hearings that are now before the Public Utilities Board to the Surface Rights Board. In particular, I would refer hon. members to page 25 and about the middle of the major portion of the section on that page, where it says "the proceedings shall be transferred to and completed."

Our members heard quite a few presentations of briefs concerning the matter of proceedings now before the Public Utilities Board, which are in the middle of the proceedings. The question arises as to whether or not these should either be heard from the beginning by fresh evidence before the Surface Rights Board, or they should be heard by a transcript of the evidence which is now before the Public Utilities Board.

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It was the recommendation of the committee that the parties, whether they be the respondent or the applicant, should have the right either to proceed by way of using the transcript, or by presenting fresh evidence. There has been no amendment presented for this particular section, and I think it is vital. I say it is vital because as I read this section, all that the Surface Rights Board can do at the moment is to complete the hearings. As I understand it, they would not be able to hear fresh evidence.

DR. HOFNER:

Mr. Chairman, that is not my understanding of Section 45, that they could have the choice of doing it either way. I suggest, Mr. Chairman, that Section 7, in the general duties of the board and its officers, allows them to set up rules of procedure and practice governing the hearing, insofar as Section 45 does depart from the usual way, in that these would be, in effect, special hearings. I'd like to suggest that, in my view, the board does have the power to set up rules of procedure in relation to the hearings under Section 45, and that in my discussions with both the present Right of Entry Arbitration Board and with the chairman of the Public Utilities Commission, there is no problem here in relation to allowing the parties, by their choice, to proceed in either way -- either by transcript of evidence or additional new evidence placed before the Surface Rights Board.

MR. BENOIT:

Mr. Chairman, to the hon. minister, I think that the number 45 should be in bold type, the same as 44 and 46 in this particular instance. It's just something that should be clarified when the bill goes through finally.

[Sections 45(2.1) to 47 were agreed to.]

Title and Preamble

MR. RUSTE:

Mr. Chairman, in the various parts of the bill that refer to forms and agreements and so on, I'd just like to raise the point here that I raised in the committee, that there should be sufficient copies of these provided so that whoever signs them has a copy. We deal with various agreements and so on from time to time and we find that at times we have to go and get duplicates made so we have a record of what we've signed. I think it would be good to have sufficient copies made of these forms so that those individuals involved have a copy after it's been assented to.

MR. HENDERSON:

. . .36. I was busy in consultation with the minister.

AN HON. MEMBER:

I can't hear you.

MR. CHAIRMAN:

Yes, now go ahead.

MR. HENDERSON:

Why don't we turn the thing off and forget about it instead of going through all this confusion?

May I ask, Mr. Chairman, that before we leave the bill we go back to Sections 35 and 36. I regret that I was in discussion with

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the Minister of Health and Social Development about the amendment to his bill and missed the opportunity to ask a question on this. I just want a clarification from the minister. As I read the bill, Section 35 says the board may re-hear any application. That means no matter what the date goes back to, but everything after January 1st, 1972 it must re-hear if there is a request for.

DR. HOFNER:

The difference is simply that Section 35 is a permissive section for the board to re-hear an application before deciding. Section 36 has to do with the rates of compensation and the review of those rates of compensation on a five-year basis of an application from either party. So I think that they are quite separate.

MR. HENDERSON:

Mr. Chairman, I don't quite view Section 35 as restrictive as the minister says. Section (b) doesn't say anything about re-hearing an application before they decide. It says, "may review, rescind, amend, or replace a decision or order made by the Board." I just want to be sure of the interpretation of it. In my view the board has always had the power to go back, if they cared to do so, but they haven't cared to do it. That's still in the act, even on orders that were made 12 years ago, if they wanted to. But under Section 36, that says all orders after January 1st, 1972 -- there is the statutory requirement to review every five years if there is a request to review it.

[The title and the preamble were agreed to.]

DR. HOFNER:

Mr. Chairman, I move that Bill No. 64, The Surface Rights Act, be reported.

[The motion was carried.]

Bill No. 65
The Alberta Hospitals Amendment Act, 1972

[All clauses, the title and the preamble, with amendments, were agreed to.]

MR. ASHTON:

Mr. Chairman, I move that Bill No. 65 be reported as amended.

[The motion was carried without dissent.]

Bill No. 71
The Workmen's Compensation Amendment Act, 1972

[All sections, the title and the preamble were agreed to without debate.]

DR. HOHOL:

Mr. Chairman, I move that Bill No. 71 be reported.

[The motion was carried without dissent.]

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Bill No. 75
The Ombudsman Amendment Act, 1972

[All sections, the title and the preamble were agreed to without debate.]

MR. HYNDMAN:

Mr. Chairman, on behalf of the hon. Attorney General, I move that Bill No. 75 be reported.

[The motion was carried without dissent.]

Bill No. 76
The Credit and Loan Agreements Amendment Act, 1972

MR. KOZIAK:

Mr. Chairman, amendments have been circulated. I would like to bring the attention of the committee to the bottom of page 2. The 'and' should be struck out, and the comma should be made into a period.

MR. CHAIRMAN:

Excuse me, Mr. Koziak. Are you talking about page 2 of the amendments?

MR. KOZIAK:

Yes, page 2 of the amendments that have been circulated.

MR. CHAIRMAN:

Does everyone have a copy of all the amendments for this bill?

HON. MEMBERS:

Agreed.

MR. KOZIAK:

It is clause 8.1, subsection (1) that we should agree to first, as amended.

[All clauses as amended, the title and the preamble were agreed to without debate.]

MR. KOZIAK:

I move that Bill No. 76 be reported as amended.

[The motion was carried without dissent.]

Bill No. 82
The Franchises Amendment Act, 1972

[All clauses, the title and the preamble were agreed to without debate.]

MR. HYNDMAN:

Mr. Chairman, I move that Bill No. 82 be reported.

[The motion was carried without dissent.]

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Bill No. 84 The Child Welfare Amendment Act, 1972

[All clauses, the title and the preamble were agreed to without debate.]

DR. PAFROSKI:

I move that Bill No. 84 be reported.

[The motion was carried without dissent.]

Bill No. 85 The Off-Highway Vehicle Act

[All the clauses of this were agreed to without debate.]

Title and Preamble

MR. STROM:

Mr. Chairman, I wonder if I could ask the hon. minister a question. Does my driver's licence for a motor vehicle give me permission to ride a scooter, or do I have to take a special test before qualifying to have an eligible licence?

MR. DOWLING:

Yes, Mr. Chairman, you do have to have a special test for driving a motor bike or a scooter.

MR. STROM:

A special licence, or a special test?

MR. DOWLING:

Test.

[The title and the preamble were agreed to without further debate.]

MR. DOWLING:

Mr. Chairman, I move that Bill No. 85 be reported.

[The motion was carried without dissent.]

Bill No. 86 The Securities Amendment Act, 1972

[All the clauses of this bill, the title and preamble, were agreed to without debate.]

MR. KOZIAK:

Mr. Chairman, I move that Bill No. 86, being The Securities Amendment Act, 1972 be reported.

[The motion was carried.]

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Bill No. 87

The Alberta Gas Trunk Line Company Amendment Act, 1972

[All the clauses of this bill, the title and the preamble, were agreed to without debate.]

MR. DICKIE:

Mr. Chairman, I move that Bill No. 87 be reported as amended.

[The motion was carried.]

Bill No. 80

The Gas Resources Preservation Amendment Act, 1972

[All clauses, the title and the preamble, were agreed to without debate.]

MR. DICKIE:

Mr. Chairman, I move that Bill No. 80 be reported.

[The motion was carried without debate.]

Bill No. 96

The Oil and Gas Conservation Amendment Act, 1972

[Sections 1 to 7 were agreed to without debate.]

Section 8 (Amending Section 35)

MR. HENDERSON:

Mr. Chairman, I have a question to the minister. I am wondering if on the second line in Section 35, it says, "The Board, after a public hearing, may, by order, restrict the amount of gas and oil produced in association with gas." Do the words 'gas and' belong in there? It doesn't make sense to have gas and oil produced with gas, because you are producing gas, so I presume it means restrict the amount of oil produced in association with gas.

MR. DICKIE:

Mr. Chairman, I think it's correct the way it is there.

MR. HENDERSON:

You hope it is.

MR. DICKIE:

I'm sure. I remember that.

[Sections 8 to 14, the title and the preamble were agreed to.]

MR. DICKIE:

Mr. Chairman, I move the bill be reported.

[The motion was carried without dissent.]

Bill No. 88

The Department of Agriculture Amendment Act, 1972

[All sections, the title and the preamble were agreed to.]

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DR. HOFNER:

Mr. Chairman, I move that Bill No. 88 be reported.

[The motion was carried without dissent.]

Bill No. 90
Investment Contracts Amendment Act, 1972

[All sections, the title and the preamble, were agreed to.]

MR. HYNDMAN:

Mr. Chairman, I move that Bill No. 90 be reported.

[The motion was carried without dissent.]

Bill No. 91
The Financial Administration Amendment Act, 1972

[All the clauses of this bill, the title and the preamble were agreed to without debate.]

MR. MINIELY:

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

[The motion was carried without dissent.]

Bill No. 92 The Clean Water Amendment Act, 1972

[Sections 1 to 4 (1) (f) were agreed to without debate.]

Section 4(1)(g)

MR. DIXON:

Mr. Chairman, I would like to bring up a point here. I wonder why, in Section 4 (1) (g), the meat packing, food processing or beverage processing plants, they haven't included other industries that use large volumes of water, such as the car washes, and things like that. I wonder why they picked out these industries.

MR. COOKSON:

Mr. Chairman, I think there is a portion in here that covers other items not included under the regulations, and makes regulations to cover other areas. I am not sure which section it is. It is Section 4 (1) (k).

[Sections 4(1)(g) to 9.1(1)(d) were agreed to without further debate.]

Section 9.1(2)(e)

MR. RUSTE:

Mr. Chairman, in here it refers to "a permit issued pursuant to The Agricultural Chemicals Act." If you stretch that, would that mean that you would have to get a permit to use this on your farm where you are getting into an area of sloughs and so on?

MR. COOKSON:

Yes, if it's a deleterious substance.

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MR. RUSTE:

And every time that ...

MR. COOKSON:

No.

[Section 9.1(2)(e) was agreed to, Sections 3 to title and preamble were agreed to without debate.]

MR. COCKSON:

Mr. Chairman, I move that Bill No. 92 be reported.

[The motion was carried without dissent.]

Bill No. 94
The Marketing of Agricultural Products Amendment Act, 1972

MR. RUSTE:

Mr. Chairman, just before we get into this might I pose a question to the minister? Were these considered and discussed with the boards and commissions prior to drafting the bill?

DR. HORNER:

The entire area of amendments to this was discussed, not only with the boards and commissions but with the farm organizations as well.

[All clauses of this bill, the title and the preamble, were agreed to without further debate.]

DR. HORNER:

I move that Bill No. 94 be reported.

[The motion was carried without dissent.]

Bill No. 97 The School Amendment Act, 1972

[All clauses of this bill were agreed to without debate.]

Title and Preamble

MR. HYNDMAN:

Mr. Chairman, before we complete this, I did undertake to answer a number of questions that were posed by the hon. Member for Olds-Didsbury in Committee of the Estimates. He had five questions which I think I can answer briefly at this time and which I promised to do at that time.

His first question was, "What has been the experience of credits for religious education?" These are courses in religious education, for which credits are granted, which were very recently established. As a result of that, religious studies have been offered in 32 schools in the province and the student enrolments have been as follows. There are three courses, Religious Studies 15, 25, and 35, Grade X, XI and XII. In Grade X there have been 524 students; in Grade XI, Religious Studies 25, some 1006 students, and in Grade XII Religious Studies 35, some 445 students, for a total very close to 2,000, 1975 students have enrolled in the course.

The second question posed was relating to an assessment of the Work Experience Program, and in the school year 1971-72, just over 100 schools received approval to offer the Work Experience Program. It involved 1,406 students in the Work Experience 15 and Work

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Experience 25 courses, each of which required about 125 hours of work. The work study program involved something over 1,400 students and a preliminary review suggests that students rate the program very highly. Ninety-nine per cent of all the rural students, and 78 per cent of the Edmonton students felt the Work Experience Program should be continued and was worthwhile. The employers also appeared to be very satisfied, and more than 87 per cent of those rated the students performing as anticipated or better. So the reaction generally has been very positive.

The third question was relating to the funds for implementation of points made in the position paper regarding Canadian content. It will be noted in the position paper that one of the items which was to be studied was the possible immediate and future costs of implementation of a Canadian studies program, which might well be very substantial. So in the moment we are at the position of having the committee which is now operating in the curriculum branch with the addition of a student from the STEP program this summer, looking into the implications of what the cost would be if there were to be an increase in a substantial way in Canadian content, in the sense that if we have low press runs of books which are available throughout the province, there may well be added expense. When that is ascertained then we have to make the decision as to whether the expense is justified and what cost we would be prepared to pay for an increased Canadian content of X, Y, or Z.

MR. CLARK:

So it would be fair for me to conclude that in the budget we approved not long ago, when I asked the questions, there is really no specific funding earmarked for an increased emphasis in the area of Canadian studies this year?

MR. HYNDMAN:

Well, there are no funds specifically for the production of textbooks or for the payment to any authors or teachers. However we are now doing work to ascertain how and on what pace that will be done in future years.

The other question -- the fourth question related to the future of the PAB, Program Accounting and Budgeting, and PPBES, it more involved successor and companion piece. In the fall of 1971, pursuant to a contract arrived at last year, the Human Resources Research Council was commissioned to evaluate the Program Accounting and Budgeting, that's the PAB project, and this was conducted in ten Alberta pilot school districts during '71, and a scattering of representatives urban and rural ones over the province. The evaluation by HRRC indicated that the basic concepts of the Program Accounting and Budgeting are sound, that it should be implemented as soon as feasible, and that the climate is favourable for further developmental work which would be required in the PPBES, the more involved concept.

MR. CHAIRMAN:

Mr. Minister, I wonder if I could just interrupt. There are too many members in this Assembly just chattering away, and it's difficult to concentrate on this. Please continue.

MR. HYNDMAN:

Regarding the Program Accounting and Budgeting, we are now proceeding on the basis of a possible voluntary school district adoption of PAB at this time with possibly a later mandate for province-wide use of the standardized reporting format, possibly effective January 1st, 1974, which was the earliest date suggested at which it should be properly implemented. Certainly it's going to

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cost money and this is one of the concerns. There is no magic panacea that can be brought forward to simply save 10 or 15 per cent of the educational budget, and we're looking at that now to see if financial assistance should be provided.

We're proceeding with the full-scale PPBES system very cautiously. Much more work is required, and in regard to both these systems, we're now entering into discussions with the Treasury Department regarding the possible future application and extension of both systems, or one of them, to government operations beyond the Department of Education and the school boards.

Regarding the other question which was, what is now developing in the question of modification of the school year? We had a conference last fall which had been planned by my predecessor and which went forward in October in Red Deer, following which a number of papers were presented. Following that, a number of Home and School Associations were encouraged by us to hold forums with a view to securing feed-back from parents as to what they thought.

Generally, the public was very suspicious of any radical change in the school year and there was almost a universal negative reaction to the four-quarter system which was one which has been proposed by the ATA. There was also universal negative reaction to the year-round operation of schools. It seems to be that even though the concept of the July and August holiday derived many decades ago when Alberta was primarily and almost solely an agricultural province, people today seem to have a feeling in their blood that this would disrupt family patterns of living, planned holidays, and the traditional summer holiday break. Roughly, July and August seem to be embedded very firmly in the minds of Alberta citizens. People did not seem to be too concerned about minor changes in the school year, such as starting in the middle of August rather than September or ending say the middle of June.

It became clear that the parents of children of high school students were much more interested and much more lively in their involvement in this subject than those in elementary grades. Of course, the question of semestering and the articulation of the high school exit point, the entrance points to post-secondary, was one of their main concerns there. There was some concern expressed in that regard about the mobility of pupils in school systems, where they would move, especially with semesters during the year, from school to school. If there were so many different semesters, different ones, for example, for 215 school boards, there was concern that there might be a real problem in continuity of the youngsters' education.

Lastly, the question posed regarding the priority area in curriculum at this time, there has been recently concluded a major re-working of the social studies course. Some problems regarding the speed at which that was, in some cases, dumped upon the teaching profession to implement have been voiced to me by teachers and by parents. At the moment I can't say that there is any definitively decided new major area which we will be looking into, because I am waiting, quite frankly, for the Worth report to suggest what has been worked on there. But certainly language arts are in the process of being restructured at this time.

MR. CLARK:

I will just thank the hon. minister and recall to the minister's mind the discussion that he and I had about four or five months ago, I guess, dealing with the Council of Education Ministers. I neglected to mention earlier in the session that I hope the government would continue to give this organization its wholehearted support and give some leadership to the organization.

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MR. HYNDMAN:

A meeting of the Council of Education Ministers is coming up in June in Regina and the western ministers have agreed to meet two days prior to that to talk about common problems in the west. I think, especially regarding the federal initiatives in the many areas of bilingual education and in communications, and indeed many initiatives are seen by the Secretary of State's Department in education, which is constitutionally, of course, under Section 92 to 93, a provincial responsibility, that there certainly is a place to play for the Council of Ministers. There is some question as to its future relationship to the Canadian Education Association but both the hon. Minister of Advanced Education and I will be closely following its activities and will be taking initiatives where appropriate.

[The title and the preamble were agreed to without further debate.]

MR. HYNDMAN:

Mr. Chairman, I move that Bill No. 97 be reported.

[The motion was carried.]

Bill No. 100
The Public Service Management Pension Act

[All the clauses of this bill, the title and the preamble were agreed to without dissent.]

DR. HOHOL:

Mr. Chairman, I move that Bill No. 100 be reported.

[The motion was agreed to without dissent.]

Bill No. 101
The Senior Citizens Shelter Assistance Act

[Sections 1 to 4(2)(b) were agreed to without dissent.]

Section 4(2)(c)

MR. BUSTE:

Mr. Chairman, I think this is the one that deals with the discrepancy or discrimination that is implied here as it refers to the rural residents. I think we have all received a note from one of our major farm organizations. I think the wording there is pretty significant, in that it provides urban senior citizens with an additional grant, and at the same time, ensures that none of it will be passed on to rural senior citizens.

I am rather surprised to see this discriminatory factor being inserted in this bill, because certainly there is no ceiling. The hon. minister, on questioning -- and it will be reported in Hansard if we ever get those issues -- was definitely asked, and he answered that there will be no means test. I believe, Mr. Chairman, this is discrimination in its ultimate.

I was appreciative the other day of one of the hon. members opposite who got up and spoke his mind on it as a rural resident. Certainly I would ask the hon. minister to consider ending this, because this is going to work against those rural people in the rural areas who could benefit from it.

Sections 4(2)(c) to 20, and the title and preamble were agreed to without debate.]

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MR. RUSSELL:

Mr. Chairman, I move that Bill No. 101 be reported.

[The motion was agreed to without dissent.]

Bill No. 102
The Public Service Amendment Act, 1972

[All clauses, title and preamble were agreed to without debate.]

DR. HOHOL:

Mr. Chairman, I move that Bill No. 102, The Public Service Amendment Act, 1972, be reported.

[The motion was carried without dissent.]

Bill No. 103
The Municipal Taxation Amendment Act, 1972

[All clauses, title and preamble were agreed to without debate.]

MR. FAHRAN:

I move that Bill No. 103, being The Municipal Taxation Amendment Act, 1972, be reported as amended.

[The motion was passed without dissent.]

Bill No. 104 The Planning Amendment Act, 1972

MR. WILSON:

Mr. Chairman, I prefer to exercise an overabundance of caution and retire from the Chamber during the debate on Bill No. 104, The Planning Amendment Act. I do not have a direct pecuniary interest, but I am in the land development business and feel that I would be more comfortable by refraining from voting on this bill.

[Section 1 and Section 2, (1) to (5), were approved without debate.]

Section 2(6)

MR. LUDWIG:

Mr. Chairman, I would like to make a few remarks with regard to section 2, subsection 6. It might be a bit of a lull in the almost-indecent haste to get rid of all our bills of committee. There are some serious ramifications if this subsection 6 is passed as it is, and it may cause serious loss to a lot of people. So I would like to make a few remarks concerning that section.

If the section passes as is, to terminate -- and I am stressing the words "terminate on October 31st, 1972" -- all Board Orders to terminate on that date -- that a lot of serious things can happen. The board orders were approved as a result of public hearings. Both sides stated the case. Board orders are usually opposed by municipalities, and if Bill No. 104 is passed as is, the developers have little or no chance of protecting zoning. This is very important, as you will find out very shortly. In many instances, board orders affect large tracts of land. Large multi-million-dollar projects take years to plan -- everybody knows that -- to plan and to raise money for the project, you have to indulge in financing and trying to work the project out. There are many ramifications before the plan is finally approved.

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Tight money and high interest rates often cause long delays. Good planning requires foresight and arrangements years before development, and there are many obstacles to overcome. For example, planning a commercial development in path of growth but in advance of population to support the commercial enterprises -- these things all have to be borne in mind. It requires advance planning of large family and commercial projects to proper and adequate transportation, roads, sewer and water, trunk lines, schools, parks, and recreation facilities. If you can't imagine what is involved in planning a project, all these have to be considered, so sometimes a year or two passes very quickly and the thing is not finalized.

While population is growing, the developer must engage services of architects, engineers, leasing agents, accountants, lawyers, and many professional services. His only protection is the zoning. And quite often a man will buy -- a developer or an individual will buy his own property -- if he had not been able to finalize all the planning then he may lose a very large investment. His only protection is, as I said, zoning. While the planning process is going on, and it may take years, as I said, on large projects, the developer may put up a mortgage commitment fee, and commitment fees on projects after \$20 million are very sizeable. This is an investment on the part of a corporation or an individual. If you take away his zoning then he may lose the commitment fee through no fault of his own.

On a large tract the developer may very well have been forced into a road and utility service agreement by the municipality. We all know that this happens -- it happens often -- requiring him to pay thousands of dollars for services he may never need, if you wipe him out with this bill. What of the homeowner? Many individuals may have invested, may have purchased in the area expecting the commercial facilities of a plan. Their rights also need to be protected. Municipalities often take up to two years to process a development builders building permit application for large projects. Detailed drawings are circulated and re-circulated through all city departments, and months of negotiation are required to satisfy all concerned. And those lawyers or developers who have to process these things through city hall know the frustration you can run into when you might be told that the statutory delay is at least 54 days before anything can be done. But it does take months and money is being spent while this is being put together.

If a municipality decides to stall a developer's building permit application from now until October 31st, they could do it with no trouble whatsoever. Approval for a landscaped plan -- some of us here will know what that involves -- can run into months and even years. The builder or developer has no protection in a situation like this, other than the zoning that he got.

Bill No. 104 in the present form could cost unsuspecting private entrepreneurs thousands and perhaps hundreds of thousands of dollars in capital paid out and decreased land value. The losing of a zoning, a particular zoning on which work was done with a view to developing a project, losing the zoning may devalue it to very little. I believe that in discharging our responsibility that we have to bear these things in mind, that it is not intended that legislation is a benefit if it is going to hurt a certain number of people, no matter who they are, whether they are financially large, or financially small. In going throughout the province in this day of great development you will find many of these situations in existence today. I don't believe we really want to have to penalize anybody who for some reason or another may not have had his project approved.

Bill No. 104 is no way to inspire confidence in investors. A lot of big investors may be hurt and that would certainly affect everybody in the planning and development business. I'd like to urge

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the hon. members to give consideration to what I've said here and to consider an amendment. If we don't -- to we wipe out the board orders now with no hearings, victimizing the innocent investors, would be, in my opinion, wrong in principle. I intend to propose an amendment which I do not feel will affect this bill too much, but give anyone who may have been caught in the situation that I expressed -- give them a chance to get from under the position they are in and help to recover from the jeopardy they are in.

Therefore, Mr. Chairman, I move, seconded by the hon. Member for Calgary Millican, an amendment to government Bill No. 104, The Planning Amendment Act, 1972, that the bill be amended as to Section 2 by adding at the end of the proposed Subsection 6, of Section 6 the following: "except for those orders related to any project which has been submitted for the approval of a municipality on or before October 31st, 1972." This would in my opinion, remedy this situation, at least partially. It would give these people an opportunity for several months to seek approval, and save their position. I don't think that it in any way adversely affects what was intended here, but these situations, I believe, must be considered and I urge all of you to support this important amendment. I believe that I have the necessary copies, Mr. Chairman, for you and the other hon. members.

MR. DIXON:

I'll only be a moment. As the hon. members know I have objected to this bill. I believe that if the municipality's concern is only that of getting a development going, I think they will have no objection to the amendment, because it will prevent any stalling by the municipality for any other reason but the development. Because take, for example, if a municipality decides that they don't want the project to go ahead, they could stall the development permit until after that date and then it would automatically be cancelled. This is the thing I don't think any of us would like to see happen. This is, in effect, what the amendment is going to do. If the municipalities are genuinely interested in these developments going ahead, this will be the thing that will give added incentive for the developer to apply for his project and then he won't be running the danger of someone taking a dislike to his development and holding it up until after the date and then it automatically ceases to be in existence and he has no other alternative but to drop the project. The land will revert back to a different type of zoning and he loses thousands of dollars that he has had invested, not only him, but all the people that are associated with him.

MR. ZANDER:

Mr. Chairman, I certainly have to make some objections to the amendment, because certainly these developments have been at a stage now where they are over three years old and nothing has moved. Certainly the developers in the three years must have had some intention, if they had any at all, to move in the direction of a development. I think we will have to agree with that. Furthermore, if there was any intention of any development being made, they would have certainly approached the municipalities quite a number of months, if not even years, before this time. Now all of a sudden we find that these people are going to move. We say that we are looking at maybe hundreds of thousands of dollars in losses. They are speculators in the right sense and the true word because the municipalities have given notice to them. They have asked in 1970, they have asked again in 1971, and they have asked again in 1972 why there isn't any development on this land. Certainly we have to be reasonable that three years is sufficient length of time that a development must take place. I don't care how great the complex may be, but nevertheless, some effort should have been shown if there was a good intent to go ahead with a development of any nature on this

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land. I believe the municipalities have a right to ask that development now shall start at some point in time.

MR. FARRAN:

I weep no tears at all over the alleged plight of the developers because according to my calculations they had not three years, but five years, since most of these amendments were passed in 1967 to 1968. The specific zoning type of spot zoning which was allowed by the Provincial Planning Appeal Board where they had the right to over-rule the municipalities, was only for a specific design. So there can be no variation from the original design anyway. It was for a building on which drawings were submitted to the Provincial Appeal Board. So they have had every opportunity to proceed and they still have the opportunity to proceed if they are really of good intent.

I believe the intent of the act anyway is to do just what this amendment seeks to accomplish. But if they are bona fide and they proceed on the drawings that they submitted back in 1967 and 1968 before October 1972, no one expects them to complete the building before then. These specific zoning cases have been an anathema to the planners in the City of Calgary. They have caused undue hardship to other developers round about who had their densities of development limited by the anticipation of these alleged big developments and specific zoning being in the offing. Particularly in the southwest corner of Calgary, the zoning has been held down to 22 persons to an acre, on the understanding that these people were going to proceed. They've shown no signs of proceeding whatsoever.

MR. LUDWIG:

Mr. Chairman, I believe that we have heard some opinions expressed, but I still did not hear a valid objection to providing a saving clause, notwithstanding that there were delays. The hon. member who just spoke knows the problems in putting together a big project. It doesn't require us, as you say, to shed any tears for a big developer. There are many small developers. He knows the delays which can be met. He knows the stalls. He knows that council sometimes gets over-ridden -- and don't take it too lightly -- by the Provincial Planning Board. If you leave it as it is now, if council ever objected to a plan going ahead, this would be giving council the authority to kill it. They can stall it to death. Procrastination in this business is an accepted thing almost.

You can't just blame the developer. Many appeals, many changes, many proposals are made, but the expenses are made. What he's saying is that it doesn't matter what happened. Let's drop the axe on these people and cut their heads off because there was some delay. It wasn't every delay that was caused by the developer. If we're going to hurt one person who, through no fault, was brought into delay, we're not discharging our responsibility.

I'm only sorry that there are not more lawyers on the other side present who were involved in this kind of work to know the frustration a developer or an applicant for re-zoning must have to go through sometimes -- and the expenses and the dickering and pleading -- to get a plan approved which ultimately is approved, and then the city benefits. The delays are unbelievable sometimes. So you can't just lay the blame entirely at the hands of a certain developer.

MR. KOZIAK:

Mr. Chairman, will you permit a question? I have some concern here with the amendment, because I feel that perhaps the amendment does nothing more than reiterate the terms of the bill. The bill provides that all the orders terminate on October 31st, 1972. Your amendment goes on to state, "except insofar as where a development

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application has been made prior to that date." I think the meaning of your amendment is the same as the meaning of the present section. My understanding of the section is that the holder of an order and the land can make the application to the particular municipal planning commission for a development permit in accordance with that order. If that application is made before the 31st of October, 1972, and is in accordance with the terms of that order, the municipality must grant a permit. Failing their granting the permit, the applicant will have the right to seek mandamus. So that the statement "except insofar as" -- whatever your exact words are, really put into words exactly what the effect of the amendment is. So it doesn't change the substance of the law that would be passed this evening.

MR. LUDWIG:

Mr. Chairman, with all due respect, that is not the interpretation that I place on this, at all. This thing brings the axe down on October 31st, 1972, if the plan is not approved by the municipality. What I'm saying is that, in the event of some developer who was delayed or stalled, or maybe he stalled on his own -- that has not made application for approval -- as long as he made application by October 31st, then he is saved. It's a saving clause, in my opinion. It puts these people in a safe position, rather than bringing the curtain down on them. That is my interpretation, and that is the reason for the amendment.

But if there is any doubt as to the meaning of the amendment, I am saying that it cannot adversely affect anyone, with the exception of giving an opportunity to all those who may be affected adversely. They may be very many. I don't know how many large ones there are, but there may be a number of small ones. It gives them an escape -- one more chance to come up and make application for approval if they haven't made application for approval. Because if they make application for approval, under the legislation as proposed here without the amendment, the city would have no trouble in stalling anyone, on a number of points, beyond October 31st, 1972. That would then bring the curtain down on these people.

MR. FARRAN:

Mr. Chairman, I maintain that the city could not stall. The plans are the specific plans that were produced, under this legislation, to the Provincial Planning Board. There can be no variation from those plans, so all they do is to submit the plans and ask for a development permit before October 31st, 1972. If the city won't give it to them, they can get an order of mandamus from the court.

MR. LUDWIG:

Mr. Chairman, that is only an opinion. If you read the section that I am dealing with, my opinion is that that isn't at all like the hon. member just said. It says here:

"Section 6 is amended by adding after subsection 5, the following: All orders of the board made as a result of appeals made to it, during the period from June 1, 1965 to May 1, 1968, pursuant to Section 110 as it stood during that period, and during the period from April 11, 1967 to May 1, 1968, pursuant to Section 128." (It is a very long section dealing with this issue.) "As it stood during that period, terminate on October 31, 1972."

That means you are finished. Your zoning -- if the Provincial Planning Board gave you a zoning order, and you spent hundreds of thousands of dollars on it, but didn't proceed to have the plan approved, then you are out. You can go anywhere you like, but the

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legislation is clear, whether the courts might grant a remedy or not remains to be seen. But I think the court will be bound to give meaning to the legislation.

I am insisting that we consider the ramifications of the legislation as it is, and pass the amendment. I feel that we will have brought a lot of abuse down around our ears because of the trouble this will cause. Even if there were some warning given to these people that this might be brought in, they might have started earlier. Six months in zoning and planning big projects isn't much time at all if you know the business.

I am urging the hon. members to support the amendment in order to make clear the position of these people who may be caught with this thing. This matter was well reviewed. I respect the hon. members' views. They are merely their opinions.

MRS. CHICHAK:

Mr. Chairman, just before you call the question, I came to realize I may have, not a conflict of interest, but due to a company of which I am a shareholder and director, and which is involved in development, I would like to leave the House and abstain from voting.

MR. LUDWIG:

I would like to make another remark. In view of the conflict of opinion given to the committee, I believe it is almost important enough to wait for the hon. Attorney General to give us an interpretation, and then if he states that the intent of my amendment is already in the legislation -- and I say it isn't -- then we would have this on record and the developers would have something to stand on. But this way there is a conflict of opinion. I am saying the hon. members opposite expressed a view that I don't go along with.

We should hold this section until the hon. Attorney General gives an interpretation so that we all know exactly what the score is.

MR. RUSSELL:

Just so there is no misunderstanding, after we received the telegrams this morning and the various phone calls, I checked again -- I had already checked this fairly thoroughly -- with the provincial director of planning. It is my understanding really, that the amendment and the act are essentially the same. That is, if the developer has his application submitted in the proper way before October 31st, the city is obliged to decide on whether or not to grant the development permit. They cannot stall the thing. If the application is in order they must act. They must refuse or accept. A development permit is good for six months. Under The Planning Act you can get an extension to that for another six months before you even start any construction. We are giving them 17 months notice, a lead time of 17 months. They have had five years.

This should not be confused with zoning. We are not changing zoning here. The zoning of the land does not change. This deals specifically with a bunch of outstanding applications which went forward under some planning legislation, which was not in effect for very long, called 'specific use'. Under 'specific use' any developer could submit drawings. He had to submit the total concept drawings for the development, whatever the zoning might be. The planning authority would then judge on the merit of the conceptual drawings of the project as related to that zoning and that part of the city.

For example I could come up with plans for a Chinese grocery and a Chinese restaurant for an R1 zoning, and in fact I did this. But you have to do that under specific use, and before you can apply for

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it you have to have your drawings prepared. So in order for these people to have had this in the first place, the drawings were done five years ago. If they change the drawings or change the development the specific use no longer applies because that legislation has been wiped off the books.

Now these cases that are still outstanding are all cases which result from appeals of the local planning commission, in other words mainly from Calgary and Edmonton. Their planning commissions turned these specific use applications down. The people then applied to the Provincial Planning Board and had the local decision upset. I'm saying and emphasizing that this does not relate to zoning -- it happened five years ago -- and it's a decision based on a specific set of drawings, which can be submitted at any time for a development permit.

I don't think there is any secret about this. The City of Calgary, as a matter of fact, at the last convention of the Union of Alberta Municipalities, brought forward this resolution on behalf of the citizens of that particular city because of the unrest it was causing. This thing is perpetual -- it goes on and on and on for ever. They found they were getting a lot of complaints from all the adjoining residents living in wonderment as to the development that had been refused or denied by their local planning authority, under legislation that was now wiped off the books. If we don't do something this stuff will sit here for 100 years, and all you are going to get is land speculation going on over the years and in fact this has happened. So what we are saying is, we think we're giving reasonable notice. If the developers are serious with their specific use, they proceed. If they're not, the zoning of the land remains exactly as it is. We haven't touched it at all.

MR. LUDWIG:

If that is a very simplified explanation I would like to ask the minister a couple of questions. It says here: "All orders of the board made as a result of appeals made to it terminate on October 31st, 1972." What were the board orders, if they were not dealing with zoning? They were applications for zoning and they had to be appealed to the board. What were the applications for?

MR. RUSSELL:

Applications under specific use, which is not zoning.

MR. LUDWIG:

Then how do you state that the amendment is already covered in the legislation as it is? What will terminate? I feel that zoning that was acquired under the decision of the Provincial Planning Board will be terminated, it was an order. The zoning was a result of an order. I disagree with you.

MR. RUSSELL:

Mr. Chairman, the question of zoning is not involved. It's the question of whether or not a specific project based on drawings submitted five years ago would be allowed on the present zoning. We're not touching the zoning. We're saying that you have until October 31st to indicate whether you are serious or not about going ahead with this, because after that it expires. As a matter of fact the one big developer in Calgary who was concerned by this and who sent the telegrams today, I told him we were going to do this before Christmas. It's no surprise to them.

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MR. TAYLOR:

Mr. Chairman, I understand from the hon. minister that what it says in the amendment is already covered in the item as covered.

MR. RUSSELL:

Right! That's what I'm trying to say.

MR. DIXON:

Mr. Chairman, the minister and one or two of the hon. members over there have not convinced me. The minister is splitting hairs, I think, when he said that if this is denied or cancelled it doesn't affect the zoning -- it does. Because we all know that the City of Calgary is anxious that that development does not go ahead. It's not a question of whether they want to force them in. They've had complaints from the residents in that area and they don't want the project to go ahead. That's the truth of the matter. So in effect, Mr. Minister, if this comes into effect it wouldn't matter if you didn't change the zoning or you did change the zoning. If you could guarantee to me that they could build the same thing five years from now I would vote for this.

MR. RUSSELL:

Mr. Chairman, the hon. member has missed the entire point of the amendment to the act. Certainly the city doesn't want it to go ahead. That's why they turned it down five years ago when the application was made. There was a petition -- in the case you're talking about -- several thousand citizens from all over the city, because it was a very contentious one. It went through a long appeal procedure, and the city turned it down. They then appealed to the Provincial Planning Board and got the decision reversed. The legislation was then wiped off the books and the thing sits there forever. We are saying, "Proceed with your development permit application by October 31st, or forget it" but we are not changing the zoning of the land.

SOME HON. MEMBERS:

Question. Question.

MR. LUDWIG:

I still want to make a couple of remarks on this. This section of the act states,

"All orders of the Board made as a result of appeals made to it

(b) during the period from April 11, 1967 to May 1, 1968 pursuant to section 128 as it stood during that period"

and here is a part of section 128:

"A person claiming to be affected by a decision of a development officer or a municipal planning commission made under a development control or zoning by-law,"

and this has to affect zoning.

I am stating that, notwithstanding that we have a minister on record. I think that we are on fairly safe ground, I would prefer the interpretation of the Attorney General. These people are entitled to protection. I have made my stand, and I disagree that the intent of the amendment is already in the legislation.

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MR. KOZIAK:

The point I want to make, Mr. Chairman, is that that section no longer appears in the volume which the hon. member had in his hand. That section was repealed a couple of years ago.

MR. CHAIRMAN:

The question has been called. The amendment has been moved by Mr. Ludwig, and seconded by Mr. Dixon. My understanding is that their amendment is to take out the words, "terminate on October 31st, 1972", and to add "except for those orders relating to any project which has been submitted for approval of a municipality on or before October 31st, 1972."

[The amendment was defeated. Section 2, to section 5, the title and the preamble, were all agreed to without further debate.]

MR. ZANDER:

Mr. Chairman, I move that Bill No. 104 be reported.

[The motion was carried without dissent.]

Bill No. 105

The Crown Agencies Employee Relations Amendment Act, 1972

[Section 1 to section 8(12.1) (c) were agreed to without debate.]

MR. LUDWIG:

Mr. Chairman, just so as not to interrupt the haste of this whole proceeding, I wonder if somebody shouldn't tell the hon. members, Mr. Wilson and Mrs. Chichak, to come back now. They can vote after this.

AN HON. MEMBER:

They're having a good time together.

AN HON. MEMBER:

I bet they're having more fun out there than we're having in here!

MR. CHAIRMAN:

Very well, somebody's gone.

[All remaining sections of the bill, and the title and the preamble were agreed to without further debate.]

DR. HOHOL:

Mr. Chairman, I move that Bill No. 105, as amended, be reported.

[The motion was carried.]

Bill No. 66 The Hospital Visitors Committee Act

[Sections 1 to 6(2) (c) were agreed to without debate.]

MR. CHAIRMAN:

We have an amendment to add.

DR. MCCRIMMON:

Mr. Chairman, this section is further amended, with the permission of the committee, in Subsection (2.1) by inserting the

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words, "If authorized to do so by a resolution of the committee,"
before "one or more members of the committee may visit a hospital."

MR. CHAIRMAN:

So to that amendment you have circulated, you add, "if
authorized to do so by resolution of the committee, one or more
members of the committee may visit a hospital."

[All remaining sections of the bill, and the title and the
preamble, were agreed to without further debate.]

DR. MCCRIMMON:

Mr. Chairman, I move that Bill No. 66, as amended, be reported.

[The motion was carried.]

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Bill No. 61
The Social Development Amendment Act, 1972

MR. CHAIRMAN:

This is The Social Development Act that we deferred with regard to Section 5.1(1). You all have a copy of the new amendment?

MR. F. SPEAKER:

Mr. Chairman, maybe I could comment on it. The change at this point in time then removes the confidential aspect from the municipality, is that correct? In other words, we are just talking about that confidentiality applying to the provincial program. The municipal level of government does not come under that type of control.

MR. CRAWFORD:

It does two things, Mr. Chairman. It leaves the municipal situation entirely in their hands. That is not to say that as a result of other legislation, such as the Bill of Rights, in the future that some consideration might not be given to some regulation of municipalities. But municipalities doing their own assistance are not to be regulated by this amendment as it is now directed. I believe that is in accordance with the intent of all hon. members. The provincial, of course, remains regulated. The need to remove the reference to the municipality from the provincial one is just to provide that a municipal official may not, by any interpretation there, and once that is done we can forget about what official it includes, because it is out. It provides then that the municipal official, of course, has no relevance to that section any more, because as corrected it deals only with provincial files.

[Section 1 was agreed to without further debate.]

[All the clauses of the act, the title and the preamble were agreed to without debate.]

MR. CRAWFORD:

Mr. Chairman, I move that Bill No. 61 be reported as amended.

[The motion was carried without debate.]

Bill No. Pr. 1
An Act to incorporate the Grande Prairie Racing Association

[All the clauses of the bill, the title and the preamble were agreed to without debate.]

MR. JAMISON:

Mr. Chairman, I move that Private Bill No. 1 be reported.

[The motion was carried without debate.]

Bill No. Pr. 2
An Act to amend an Act To
Incorporate The Historical Society of Alberta

[All the clauses of the bill, the title and the preamble were agreed to without debate.]

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MR. PURDY:

Mr. Chairman, on behalf of Mr. King, I move that Private Bill No. 2 be reported.

[The motion was carried without debate.]

Bill No. Pr. 3
An Act to Incorporate The
Sisters of Charity of Providence of Calgary

[All clauses, the title and the preamble were agreed to without debate.]

MR. FARRAN:

Mr. Chairman, I move that Private Bill No. 3 be reported.

[The motion was carried without debate.]

Bill Pr. 5
The Society of Industrial Accountants of Alberta Act, 1972

Bill Pr. 9
An Act to Incorporate the
Institute of Accredited Public Accountants of Alberta

MR. TAYLOR:

Mr. Chairman, I'm wondering if we could ask the hon. Government House Leader if Bills No. 5 and No. 9 had the approval of the sponsors to be held over till the fall?

MR. HYNDMAN:

Mr. Chairman, I don't know that. I wonder perhaps if Mr. Ashton, the chairman of the committee, might be able to provide information in that regard.

MR. ASHTON:

Yes, that's correct.

Bill No. Pr. 4
An Act to Amend An Ordinance to Incorporate Les
Soeurs de Charite de la Providence des Territoires du Nord Ouest

[All clauses, the title and the preamble, with amendments, agreed to without debate.]

MR. FARRAN:

Mr. Chairman, I move that Private Bill No. 4 be reported as amended.

[The motion was carried without dissent.]

Bill No. Pr. 6
An Act To Amend an Act
to incorporate Canadian Junior Colleges

[All clauses, the title and the preamble, were agreed to without debate.]

MR. CROKSON:

Mr. Chairman, I move that Private Bill No. 6 be reported.

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[The motion was carried without dissent.]

Bill No. Pr. 7
An Act to Terminate
Certain Agreements Between Canadian
Pacific Railway Company and the City of Calgary

[All clauses, the title and the preamble, with amendment, were agreed to without debate.]

MR. FARRAN:

Mr. Chairman, I move that Private Bill No. 7 be reported as amended.

[The motion was carried without dissent.]

MR. HYNDMAN:

Mr. Chairman, I move the committee rise and report.

[The motion was carried without dissent.]

MR. CHAIRMAN:

Would all the members put their jackets on, please, the ladies, too.

[Mr. Chairman left the Chair at 11:20 p.m.]

* * * * *

[Mr. Speaker resumed the Chair at 11:21 p.m.]

MR. DIACHUK:

The Committee of the Whole Assembly has had under consideration the following bills: Bills No. 34, 52, 64, 71, 75, 80, 84, 85, 86, 96, 88, 90, 91, 92, 94, 97, 100, 101, 102, 104, Private Bills 1, 2, 3, 6, and begs to report the same.

The Committee of the Whole Assembly has had under consideration the following bills: Bills No. 24, 59, 62, 65, 76, 87, 103, 105, 66, 61, Private Bills No. 4 and 7, and begs to report same with some amendments.

MR. SPEAKER:

Did the hon. member intend to mention Bill No. 82?

MR. DIACHUK:

Yes.

MR. SPEAKER:

Having heard the report with respect to the bills that have been reported without amendments, does the House agree to accept the report?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

Having heard the report with respect to the bills reported with amendments, does the House agree to accept the report?

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HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, I would like to move, seconded by the hon. Provincial Treasurer, that the amendments to the following bills be read a second time: 17, 21, 23, 26, 33, 40, 47, 50, 51, 60, 74, 78, 79, 24, 59, 62, 65, 76, 87, 103, 105, 66, 61, Private Bills No. 4 and 7.

MR. SPEAKER:

Having heard the motion by the hon. Government House Leader, seconded by the hon. Provincial Treasurer, would all those in favour please say 'aye'. Those opposed please say 'no'.

[The motion was carried without dissent.]

MR. HYNDMAN:

Mr. Speaker, I would now like to ask the unanimous leave of the Assembly to move, and in so doing, to suspend the Rules of the Assembly regarding sitting times, in order to move that the House begin sittings tomorrow at 12:30 o'clock.

MR. SPEAKER:

Having heard the motion by the hon. Government House Leader, seconded by the hon. Provincial Treasurer, would all those in favour please say 'aye'. Those opposed please say 'no'.

[The motion was carried without dissent.]

MR. HYNDMAN:

I believe the House will now move into the Commonwealth Parliamentary Association meeting, the agenda for which was distributed to the hon. members on or about May 25th. Accordingly, I would now move that the House do now adjourn until tomorrow afternoon at 12:30 o'clock.

MR. SPEAKER:

Having heard the motion for adjournment by the hon. government House Leader, do you all agree?

[The motion was carried without dissent.]

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 12:30 o'clock.

[The House rose at 11:25 p.m.]

