

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Monday, June 1, 1981 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **TABLING RETURNS AND REPORTS**

MR. BOGLE: Mr. Speaker, I would like to file the annual report of the Southeast Alberta Community Resource Centre dated March 1981.

MR. LEITCH: Mr. Speaker, I would like to table a reply to Question 112.

MR. JOHNSTON: Mr. Speaker, I'd like to table copies of the annual report of the Department of Federal and Intergovernmental Affairs for the year ended March 31, 1980.

MR. McCRAE: Mr. Speaker, I would like to table the answer to Question 136.

MR. KING: Mr. Speaker, I would like to table copies of the 75th annual report for the Department of Education for the year ended March 31, 1980.

MR. BORSTAD: Mr. Speaker, I would like to file the Socio-Economic Overview of Northern Alberta done for the Northern Alberta Development Council.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. CRAWFORD: Mr. Speaker, I take pleasure in introducing a group of 28 grades 5 and 6 students from Lendrum school in the constituency of Edmonton Park-Allen. Accompanied by their teacher Sandra Dingey, they are touring the building today and seeing the Assembly. Naturally, I hope they're enjoying the tour and learning about the legislative process to some extent. At any rate, I know they've discussed that in school. They're in the members gallery, and I would therefore ask them all to stand and receive the welcome of the Assembly.

MR. KOZIAK: Mr. Speaker, it's my pleasure this afternoon to introduce an unusual group of students, unusual in that they come from two constituencies not adjoining. Some come from Windsor Park elementary in my constituency, Edmonton Strathcona, and others from Mallaig in the constituency of St. Paul, represented by my colleague Dr. Anderson. The two schools have been involved in an exchange which saw the students from Windsor Park visit Mallaig last fall and today [sees] the students from Mallaig visit the students at Windsor Park. Accompanied by the principal, Mr. Neil Gourley, and teacher Miss Shirley Kawahara of the Windsor Park school, and by teacher Mrs. Isabelle Brousseau from Mallaig, the students are 35 in number. I would ask them to rise and receive the cordial welcome of the Assembly.

MR. APPLEBY: Mr. Speaker, I have the pleasure this afternoon of introducing to you and members of the Assembly a group of students from Grassland school in the Athabasca constituency. Like the hon. Member for Edmonton Strathcona, I believe some of these students are also from another constituency, Lac La Biche-McMurray, but the school is in the Athabasca constituency. This afternoon the grade 6 class has with them their teacher Pat Heatherington, parents Muriel Johnson and Dorothy Mudry, and bus driver Jerry Derko. I would ask them to rise and receive the welcome of the Assembly.

head: **ORAL QUESTION PERIOD****Oil Production Cutbacks**

DR. BUCK: Mr. Speaker, my first question is to the hon. Minister of Energy and Natural Resources. As of today our cutback is a total of 120,000 barrels per day, going up another 60,000 on September 1. Is the minister in a position to indicate at this time if the government is considering further cutbacks after September 1?

MR. LEITCH: Mr. Speaker, I take it the question is whether we're considering increasing the cutback beyond the 180,000 barrels per day which would go into effect on September 1, 1981. The answer is that we do not now have under consideration any additional cutbacks; that is, additional to the 180,000 barrels per day that would be in effect on September 1.

DR. BUCK: Mr. Speaker, a supplementary question. Can the minister indicate if, during the discussions he has had with his federal counterpart, the provincial cutback is having any effect on the federal government's opening its eyes to the fact that we are serious? Is it affecting the federal government's position on importing oil?

MR. LEITCH: Mr. Speaker, there haven't been any specific discussions about the cutback between the federal Minister of Energy, Mines and Resources and me, although members will recall there was a communication prior to the initial cutback going into place involving a request to postpone that cutback, which we rejected. Apart from that, I don't recall any communication about the cutback between me and the federal Minister of Energy, Mines and Resources.

As to the impact, Mr. Speaker, I can only add that the fact of oil availability in the world is not a relevant consideration to the cutback. Members of the Legislative Assembly will recall that we did not impose the cutback with the intention of making it difficult or impossible for Canadians to get oil. In fact, as a condition of the cutback, there was a provision that if replacement barrels were not available on the world market, we would cancel the cutback and go back to full production.

So really, Mr. Speaker, the purpose of the cutback was to react to the federal discriminatory and unilateral action in imposing on Alberta a sale price for its rapidly depleting resource that is now well below 50 per cent of value. As the owner of that resource, our response to that unilateral and discriminatory action is not to sell so much of it.

What has really happened is that we have reduced our production and, to the extent that it's been reduced, replacement barrels have to be purchased on the world oil market at the world price. So in Canada today, by virtue

of the tax imposed by the federal government, we have Canadians paying \$40 to \$45 in Canadian funds to Saudi Arabia, Venezuela, or Mexico to buy oil that, in its offer of last July, Alberta was prepared to sell to Canadians for about \$20 per barrel.

DR. BUCK: Mr. Speaker, a supplementary question. Now that we have had a three-month experience and the opportunity to collect data, is the minister in a position to indicate to the Legislature the government's assessment of the "loss" — the amount of funds that would have been available to the province had we not cut back — also the effect on the industry's cash flow and what effect it has had on employment in the oil industry? Has the minister had an opportunity to do that assessment?

MR. LEITCH: Mr. Speaker, the assessment can be done relatively easily. The average reduction over the past three months was 66,000 barrels per day. Of course the cash flow would simply be 66,000 barrels per day times the selling price over that period and would be divided between the industry and the province at roughly 40:60 per cent, as our average royalty level is about 40 per cent. It's a bit higher in areas in which the cutback is occurring, because generally speaking those are in the higher producing areas. While I don't have the numbers in mind, they have been done and are relatively easy to do.

With respect to the impact of the cutback on employment, all the information I've been able to gather indicates that it is negligible. Part of the information-gathering process that has been contacting the operators in the areas in which the cutback is being implemented. Certainly if there is any loss of employment — and as I've indicated, all my information indicates it's minimal — it would certainly pale into total insignificance when compared with the loss of employment incurring in the conventional oil and natural gas industry as a result of the federal pricing regime, particularly the federal taxation regime which has rendered marginal wells uneconomic in the province of Alberta, although to a much lesser extent than has been the case in Saskatchewan; has discouraged the drilling of additional development wells; and, as members of the Assembly will be fully aware, has totally discouraged the exploration activity to the extent that, I think, the number of drilling rigs now working in the province as of today is somewhat less than 50 per cent of the number working at the same time last year.

MR. R. CLARK: Mr. Speaker, a supplementary question. Can the minister indicate to the Assembly what criteria are being used to determine which production will be shut-in as the second phase of the cutbacks?

MR. LEITCH: I'm sorry, Mr. Speaker. I missed the middle portion of the hon. member's question.

MR. R. CLARK: Mr. Speaker, the question to the minister is: what criteria is the ERCB using to determine on which fields the second phase of the shutback will be imposed?

MR. LEITCH: Mr. Speaker, I doubt that it's accurate to say what criteria the Energy Resources Conservation Board is using, because the order dealing with the production cutback was an Executive Council order and a ministerial order and specified the fields in which the cutback would occur. Basically they are those fields within the province that are 100 per cent Crown owned; that

is, all the production is coming from Crown lands. The only other comment I could make about how the production cutback is assigned by the Energy Resources Conservation Board is that the production allowable for a well is not reduced below what we call the economic allowable.

DR. BUCK: Mr. Speaker, my second question is to the minister of public housing. He's absent, so I'll hold my question.

Syncrude — Convertible Debentures

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to address this question to the hon. member sitting on the Syncrude board. It flows from the current interest rates of 8.125 and 8.375 for the two convertible debentures — I might say, choice interest rates at this time. In view of the very significant interest shelter those interest rates allow, what consideration is the government giving at this stage, and has the member recommended to the government, that the two debentures be converted into equity as soon as possible?

MR. BRADLEY: Mr. Speaker, I have not made any recommendation to the government with regard to that matter. With regard to the convertibility of those debentures, that's within the purview of the Provincial Treasurer.

MR. NOTLEY: Mr. Speaker, in the absence of the Provincial Treasurer today, I direct the question to the hon. Minister of Energy and Natural Resources. Bearing in mind the very low interest rate, what consideration is being given by the government to exercising the convertibility factor in the case of both debentures?

In reviewing *Hansard*, I observe statements attributed to the hon. member on the board that we're doing quite well as a result of our investment in Syncrude. I put the question to the hon. minister: what review has been conducted of the income we could obtain by converting these two debentures, as opposed to allowing an interest rate which is extremely low?

MR. LEITCH: Mr. Speaker, I've had some discussions in general terms about that with my colleague the Provincial Treasurer. But I regard that as totally a matter for the Provincial Treasurer and the Treasury Department to make recommendations to the government, as it is an investment and a choice as to what is the best course to follow with respect to that investment: whether to continue to hold the debentures and convert them at a later date or convert earlier. So the answer to the question would quite properly come from the Provincial Treasurer.

MR. NOTLEY: Mr. Speaker, a supplementary question to either the Minister of Energy and Natural Resources, in the absence of the Provincial Treasurer, or the hon. member on the Syncrude board. In light of the fact that the first reference to this was made in the 1977-1978 heritage trust fund annual report, which indicated the matter was under review, is either the hon. minister or perhaps the hon. member on the board in a position to outline to the Assembly when we may expect a decision, in view of the fact this was first suggested three years ago? Using the hon. member's figures, we're probably losing as much as \$20 million a year . . .

MR. SPEAKER: Order please. The hon. member has been told that the question is going to be answered by the hon. Provincial Treasurer. Although it was skilfully done, it would seem to me that the only purpose of the supplementary was to add two additional arguments.

Syncrude — Production Levels

MR. NOTLEY: Mr. Speaker, may I just ask either the hon. member on the Syncrude board or the hon. Minister of Energy and Natural Resources what discussions have taken place with the Syncrude board concerning the decision of the board not to proceed with the expansion of Syncrude? Frankly, this doesn't really relate to the Provincial Treasurer's responsibilities but rather to an energy decision of some significance, and either the hon. member or the hon. minister would be in a position to advise the Assembly where things now stand.

MR. LEITCH: Mr. Speaker, I find the connection between this supplementary and the original question very tenuous at best.

MR. R. CLARK: They're both about Syncrude.

MR. LEITCH: But they both deal with Syncrude. That may be connection enough.

Mr. Speaker, I take it that the expansion the hon. member is referring to is adding to the total productive capacity of Syncrude as opposed to debottlenecking the existing facility to increase the production to its intended level of about 129,400 barrels per day, which would be on average over the year. As I understand it, that debottlenecking is going forward.

The question of whether to add to the facility, which as I recall would increase its production by an additional approximately 70,000 barrels per day: my information is that the participants in Syncrude have postponed consideration of that expansion plan for two reasons. One is the federal government's unilaterally stating that they were going to renege on their commitment, which was entered into at the time the Syncrude agreement was reached, to pay world prices for Syncrude production. So that has been very significant to the board's decision. The second significant factor was the imposition of the 8 per cent petroleum and natural gas revenue tax. Those two decisions have very significantly altered the economics of any expansion. As I understand it, the decision has been made by the participants in Syncrude to defer for the time being consideration of the expansion to the additional 70,000 barrels per day.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister outlined the question of no access to the world price, as well as several other elements. Was any representation made by the government of Alberta, through the government's representative on the Syncrude board, that the decision on the expansion should be part of the government's overall approach to opposing the national energy plan, which included putting on hold the Alsands and Cold Lake projects? In other words, was it strictly an economic assessment of the expansion of Syncrude, taking these factors into account, or was there any representation to Syncrude that this should be supplementary to the decision to hold Alsands and Imperial Oil?

MR. BRADLEY: Mr. Speaker, perhaps I could respond to that question first. No representation with regard to that matter was made by me, as a representative of the government on the Syncrude board. The decision was made on the basis of the economics with regard to world price and the petroleum and natural gas tax.

MR. LEITCH: Mr. Speaker, I would like to add to what the hon. member has said. The decision not to approve either the Alsands or Cold Lake projects' proceeding was taken by the government in response to the federal government's October 28 budget and its energy proposals of the same date. That was wholly unrelated to the decision by Syncrude not to add to its production by the approximately 70,000 barrels per day. The two decisions were entirely unrelated. One was a decision by the government in response to the federal action; the other decision by Syncrude was made on the basis just outlined by my colleague.

Syncrude — Convertible Debentures *(continued)*

MR. NOTLEY: Mr. Speaker, a final supplementary question, directed to the hon. member sitting on the Syncrude board. At this stage, is Syncrude supplying any data to the government of Alberta with respect to the yield on the convertible debentures as opposed to the potential should we convert them into equity and raise the equity from 8 to 17 per cent, as was pointed out as a possibility in last year's heritage trust fund report? As part of his responsibilities, is the hon. member supplying information to the Treasury Department on that critical question of when we make the conversion?

MR. BRADLEY: Mr. Speaker, I'm sure the Provincial Treasurer and his department have at their disposal the necessary information to make those decisions.

MR. LEITCH: Mr. Speaker, I might add that of course we have in the department a unit that manages our equity interest in Syncrude. As one of the equity participants in Syncrude, we get all the relevant information with respect to Syncrude's operations.

RCMP Contract

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Solicitor General. Could the Solicitor General indicate what progress has been made with the federal Solicitor General with regard to the negotiations on the RCMP contract that expired March 31?

MR. HARLE: Mr. Speaker, a meeting of all the provincial contract provinces is scheduled in Toronto on June 15. I anticipate there will be a meeting immediately thereafter with the federal Solicitor General.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. Could the hon. Solicitor General indicate the government's policy with regard to the increase in the cost of the provincial share from 56 per cent to 75 per cent?

MR. HARLE: Mr. Speaker, at this time it's a matter of negotiation. I really can't add any more at the present time. We don't want to have to pay more than is necessary. On the other hand, I think it's essential that we

maintain the police services in this province at the level we have grown to expect.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. Has the Solicitor General made a counter offer to the federal Solicitor General with regard to the cost sharing of the RCMP?

MR. HARLE: Yes, Mr. Speaker. The contracting provinces made a counter offer, and it was rejected.

MR. MANDEVILLE: A further supplementary question, Mr. Speaker. Would the hon. Solicitor General indicate whether he has had representation from municipalities where the proposal is to increase their cost from 75 per cent to 90 per cent?

MR. HARLE: Yes, Mr. Speaker. Presentations have been made by the municipalities. However, I noticed some comments from the association of police commissions, indicating that they seem to approve the figures suggested by the federal government.

MR. MANDEVILLE: One final supplementary question, Mr. Speaker. Has the government given further consideration to establishing an Alberta police force?

MR. HARLE: Mr. Speaker, it has been the position of the government that the option should be kept open at this time. The position really was declared over two years ago when the province, along with the other contracting provinces, served notice that we wished to renew the contract for RCMP services in this province.

DR. BUCK: Mr. Speaker, a supplementary question. In light of the fact that the minister must have some statistics to indicate when it would be economically feasible to go to a provincial police force, can the minister indicate at this time what percentage of cost the federal government would have to charge us before it would become feasible for us to go to our own provincial police force, which would include training facilities?

MR. HARLE: Mr. Speaker, that's a difficult question to answer. I think all hon. members are in a position to compare the per-man costs of the RCMP with per-man costs of alternative services, all the way from the two major cities in this province, with major cities in the rest of Canada, and with the Ontario Provincial Police force. All those figures are available to hon. members.

I think another factor has to be considered, and it's not one that relates to direct comparisons of that nature. It relates to the fact that in Canada we benefit from having a national police force, primarily as a result of excellent standards across Canada from the RCMP, on a general basis, and their connections with police forces in other parts of the world and the co-operation that has to go on between police forces if there is to be an effective way of dealing with criminal activity.

DR. BUCK: Mr. Speaker, to the hon. minister. Then my recommendation is to keep the Mounties and pay the cost.

AN HON. MEMBER: Special warrant.

CBC Labor Dispute

MR. PAHL: Mr. Speaker, my question to the Minister of Economic Development refers to the NABET strike at the Canadian Broadcasting Corporation, where I understand the issue is the option to provide freelance broadcasters and technicians. Has the minister had any discussions with the Canadian Broadcasting Corporation to assure that such an option would not tend to set back the development of the motion picture and television industry here in Alberta by having a shift of CBC regional productions to other centres?

MR. PLANCHE: No I haven't, Mr. Speaker. But in early conversations in developing the motion picture Act, it seemed to me that the CBC has done very little, if any, private contracting for television in Alberta. So I wouldn't say there was any down side to the NABET discussions going on now.

MR. PAHL: A supplementary question to the Minister of Labour. Has either side made any representations whatever to the minister with respect to this dispute?

MR. YOUNG: Mr. Speaker, because the jurisdiction is clearly federal, to the best of my information, no representations have been made to my offices by either party or by any third parties, for that matter.

Federal Hog Stabilization Payment

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Agriculture. It is really a result of a great deal of representation I received in my riding on the weekend, basically centring around why Alberta hog producers are not going to get the \$14 million they're now eligible for under the federal program announced last week. What assessment of the Quebec program has been done for the minister by the Department of Agriculture and its officials, and what were the reasons that allowed the Quebec program to fit under the national program that was announced and exclude Alberta?

MR. SCHMIDT: Mr. Speaker, we've made representation to the federal Department of Agriculture, recognizing that the initial statements on the issuance of the stabilization payment for market hogs throughout Canada was made and, of course, excluded the province of Alberta and those members in other provinces who had stabilization or support programs for marketing hogs. If they had a program which limited the numbers and there was a differential in the numbers recognized under the federal program as to the provincial program, the differential has been honored. Because most programs are voluntary, those producers who did not participate in provincial programs are eligible under the federal program. That the province of Alberta was tied basically to a stop-loss program initially paid in total to the industry by the province made all market hogs ineligible.

We have questioned the reason for the ineligibility, recognizing that federal stabilization has always been handled and dealt with producers across Canada directly and this year, for the first time, is discriminating between various provinces, the province of Alberta certainly being one. The criteria as to the establishment of those who are to be paid has been questioned to the federal people. Offhand, from the information we have to date, the differential between the Quebec payments and those of

Albertans who are not eligible is based on market hogs in Alberta and, secondly, the program in Quebec is basically tied to the sow/weaner proportionment and not with the market hog itself. But until we get a complete reply from the federal Department of Agriculture, that's only an assumption on our part.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. Given the fact that some \$14 million is at stake for Alberta pork producers, has the minister sent one of his senior officials to Ottawa to find out exactly what is at the bottom of this discrimination against pork producers in the province?

MR. SCHMIDT: Mr. Speaker, we have not sent anyone to Ottawa at the present time. We have made representation on behalf of both the government and the producers. The marketing board representing producers throughout the province has made similar representation. If no further word is forthcoming in the immediate future, certainly a trip to Ottawa would be warranted.

MR. R. CLARK: Mr. Speaker, has the minister spoken to the federal minister Mr. Whelan and told him the facts of life?

MR. SCHMIDT: Mr. Speaker, communication has been made. I'm not too sure about the total facts of life, but certainly the facts related to the hog industry and the discrimination within the province, yes.

MR. R. CLARK: Mr. Speaker, the Alberta Minister of Agriculture then has spoken to the federal Minister of Agriculture and told Mr. Whelan of the \$14 million loss. I take it from what the minister has said in the House today that if there's not some very quick, satisfactory explanation from Ottawa, the Alberta minister will get to Ottawa and attempt to get to the bottom of this mess. Is that a fair assessment of what we can expect?

MR. SCHMIDT: Mr. Speaker, the morning after the federal announcement was made, a telex was sent outlining all the comments the hon. member has made. Whether or not I would be making the trip personally or someone making it on behalf of the producers and the government is a matter of choice.

MR. R. CLARK: Mr. Speaker, very directly. Has the minister spoken directly to the federal Minister of Agriculture about this specific matter?

MR. SCHMIDT: Mr. Speaker, a telex was sent direct from the Minister of Agriculture to the federal Minister of Agriculture, but I have not spoken directly by telephone, only by telex.

MR. R. CLARK: Mr. Speaker, very, very frankly, one last supplementary question. In light of the expectations hog producers in Alberta have as a result of the official from the Department of Agriculture taking part in all the regional meetings across the province — and certainly pork producers are being left with the implication, anyway, that a program would become effective April 1, and now they're going to lose \$14 million because they're not eligible for the federal program — why has the Alberta minister not spoken directly to the federal minister in Ottawa? Isn't that the most direct approach?

MR. SCHMIDT: Mr. Speaker, direct conversation, whether by telephone or telex, is basically the same.

MR. R. CLARK: Oh, Dallas, you know better than that.

MR. SCHMIDT: If it requires personal, face-to-face confrontation or discussion, I have no objections to doing that as well.

DR. BUCK: Time to pick up the pension, Dallas.

MR. SPEAKER: The hon. Minister of Labour and the hon. Minister of Advanced Education and Manpower would like to deal further with some previous question period topics.

Clover Bar Research Facility

MR. YOUNG: Thank you, Mr. Speaker. During the last question period, a number of very specific questions were put to me concerning pressure vessels in the Research Council's facilities in the county of Strathcona.

Some of those questions dealt with the latest inspection dates which were applied. Mr. Speaker, 17 pressure vessels are involved at the research facility in Strathcona. Five were inspected on October 24, 1980; one on May 10; two on May 1; two on March 13; two on March 26; and four remain to be inspected. For the reasons I explained last time, these are done periodically, according to computer printout. That printout is determined based on the nature of the use of the vessels. In the Research Council this use is very intermittent, instead of a continuous process situation. In that event, unless there is unusual corrosion or other factors that may have been identified beforehand, the inspection is infrequent. The inspection stickers are not affixed to the pressure vessels, because that simply isn't practical. They are retained in files and are available on request.

With respect to the locations and the possibility of containment of pressure vessels, no standards require same. In only one instance in Alberta is there an installation of pressure vessels which is considered, in combination with the process, to be such as to provide a possibility of hazard due to runaway. In that one situation, which isn't the Research Council, the vessels are in special enclosures. But there is only one process which is deemed to require that kind of protection.

A third and final question had to do with welding in certain circumstances. That's covered under the building code and Fire Prevention Act in combination, or in combination with fire prevention regulations. The determination of whether or not that is safe is by virtue of the amount of welding being conducted. That's of course determined with management and the advice of the fire prevention officers. It's quite frequent that welding is done in a number of different sites when there are simply minor repairs. For instance, it could be welding for a minor repair in this building and wouldn't require a specialized situation, but a continuous process would be a different context.

In short, Mr. Speaker, as I confirmed last day, there are no unusual hazards; in fact, no known hazards at all. All pressure vessels used by the Research Council are previously approved by the boilers and pressure vessels branch, and the persons using them are very skilled and careful.

Postsecondary Institutions — Deficits

MR. HORSMAN: Mr. Speaker, I wish to reply to the questions raised by the hon. Member for Olds-Didsbury on Thursday, May 28, with respect to expenditure and controls of operating deficits or surpluses in the various postsecondary institutions. The expenditure of funds by Advanced Education and Manpower and other departments is of course governed by The Financial Administration Act, which has certain requirements. Grants generally are governed by regulations passed under appropriate enabling legislation.

The expenditure of funds by public colleges is governed by provisions of The Colleges Act. Colleges are required to adopt an annual budget and to submit their budget for approval by the minister. They may not incur any liability unless that liability can be accommodated within the annual income of the institution. Any other liability requires ministerial approval. Under The Colleges Act, college boards are required to submit annual reports of revenues and expenditures, reserve funds, and provide an audited balance sheet of their financial transactions. Where deficits are planned as a result of a one-time expenditure, ministerial approval is provided only if it can be shown that the deficit can be covered in subsequent years.

Expenditures of funds in universities are governed through a number of sections under The Universities Act. Essentially, governing boards submit grant requests to the minister but do not require approval of their operating budgets. They are required to submit annual reports showing revenues and expenditures, reserve funds, and provide an audited balance sheet of their financial transactions.

Expenditures in provincially administered institutions are controlled directly by my department. Institutions are funded initially each year in allocations which take into account salary costs for each position. Salary settlements within each fiscal year are funded at year-end through pay review allocations drawn from the salary contingency fund administered by Treasury. To date, my department has not required its full pay review entitlement. Position vacancies and underexpenditures in some areas generally have provided some flexibility in meeting salary adjustment costs.

In general, institutions have lived within the funds made available to them and have handled surpluses and deficits within grants provided. In cases where a deficit occurs, institutions are expected to cover deficits through reductions in expenditures in subsequent years or through the application of reserve funds. No funds were appropriated by special warrant for funding deficits in any post-secondary institution in the province.

ORDERS OF THE DAY

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 33 The Senior Citizens Benefits Amendment Act, 1981

MR. BOGLE: Mr. Speaker, I move second reading of Bill 33, The Senior Citizens Benefits Amendment Act, 1981.

[Motion carried; Bill 33 read a second time]

Bill 46 The Employment Standards Amendment Act, 1981

MR. YOUNG: Mr. Speaker, I am pleased to move second reading of Bill 46, The Employment Standards Amendment Act.

[Motion carried; Bill 46 read a second time]

Bill 52 The Banff Centre Amendment Act, 1981

MRS. OSTERMAN: Mr. Speaker, I move second reading of Bill 52, The Banff Centre Amendment Act, 1981.

[Motion carried; Bill 52 read a second time]

Bill 54 The Legislative Assembly Amendment Act, 1981

MR. CRAWFORD: Mr. Speaker, I move second reading of Bill No. 54.

[Motion carried; Bill 54 read a second time]

Bill 56 The Mines and Minerals Amendment Act, 1981

MR. LEITCH: Mr. Speaker, I move second reading of Bill No. 56, The Mines and Minerals Amendment Act, 1981.

Mr. Speaker, it would be appropriate for me to describe in some detail at least the proposed amendments to The Mines and Minerals Act, as they are quite lengthy and in some instances quite detailed. The amendment to Section 14 provides for greater flexibility in the regulation-making capacity of Executive Council with respect to penalties, and was brought about at the suggestion of the Auditor General. We really have in mind a regulation capacity which, rather than imposing automatic interest penalties on all payments that might be late, which would involve a very difficult administrative practice, adopts a system whereby notice would be given to someone who was late in making a payment. That notice would specify the time within which the payment would be made and the regulation would then impose a penalty.

The proposed Section 44.2, Mr. Speaker, deals with the question of refundable work deposits and enables the department to take and retain in the departmental accounts a deposit described as a refundable work deposit. In the event that the person making the deposit performs the work, the funds are then repaid to them. The alternative: if the work is not done, the deposit is forfeited and would of course go to the province's general revenue account.

The amendments to Section 48 are of a purely technical nature, and are designed to ensure that where an Alberta company is continued outside the province, it may be struck off the Alberta registry.

Mr. Speaker, we then come to a number of proposed amendments which deal with the department's capacity to have access to records and documents of companies. The present section, 53.1, is limited to access to data pertain-

ing to enhanced recovery schemes and oil sands projects. But there are a number of instances where, because of our royalty system, it is appropriate and necessary for the department to have access to company records in order to check the calculation of payments being made to the government. These amendments give the department the capacity to serve notices on companies, calling on them to deliver the records. Alternatively, in lieu of delivering them, the companies may simply make them available for examination by members of the department, also for members of the department to take away copies. A particular instance where this would be important would be in the processing of natural gas, because we pay a percentage of the processing costs, that percentage related to processing the Crown's royalty share of the natural gas. There's also provision that the records should be maintained for a period of five years.

Mr. Speaker, there are a series of complex and detailed amendments to Part 5 of the Act which deal with the question of the deeper rights reversion principle, which was introduced into the mines and minerals legislation approximately five years ago. Those deeper rights reversion provisions will now come into effect, starting, I believe, on July 1 of this year. When examining the multitude of various factual situations that might arise, we found that the legislation, as it existed, simply didn't enable us to deal equitably with all those situations, both from the government's point of view and the lessee's point of view. Those provisions are designed to cure that.

I should draw to members' attention the one amendment to Section 123, which deleted from the deeper rights reversion date 10-year leases that were renewals of 21-year leases, or a 21-year lease that was a renewal of an earlier 21-year lease. The leases that would fall into that category comprise about 2 per cent of our total leases. We found that that 2 per cent would require quite extensive and more complex provisions within the legislation. Because those leases will expire within the next two or three years anyway, it is our view that the balance of convenience, again from both the government's and the industry's point of view, would be to exclude those 2 per cent of the total leases from those provisions. An added factor is that as a result of doing that, we believe we may well encourage some additional deeper drilling in those areas.

Mr. Speaker, moving to the amendments to Part 7. Members of the Assembly may recall that recently we introduced Part 7 into The Mines and Minerals Act, which really provides a registry system for certain transfers and financial documents. That was introduced at the request of the industry to give financial institutions — other than banks, which already have it — the capacity to register with the department interests they might hold in oil and natural gas leases and licences.

We found a great deal of difficulty, technically, in implementing a system that will work as the industry hoped and anticipated it would. The amendments propose some changes to what are now in the Bill. I should call attention to the fact that we are still having ongoing discussions with industry to make sure these provisions and the regulations we contemplate passing will meet the requirements of the industry and the financial institutions. For that reason, while the remainder of the Bill will come into force upon Royal Assent, this portion of the Bill would come into force only upon proclamation. We wouldn't contemplate issuing the proclamation until we had completed our review of these provisions and the proposed regulations with industry and the financial insti-

tutions, to ensure that they will meet the requirements of industry and those financial institutions.

Finally, Mr. Speaker, I call attention to the amendment to Section 189(m). The purpose of this amendment is to restore the capacity of geophysical crews to have access to closed or leased road allowances in the same way they had in 1979. That capacity had been reduced somewhat inadvertently by amendments made recently to the provincial highways development Act and The Municipal Government Act. This merely restores the position to what it had been earlier and enables the geophysical crews to have access to certain leased or closed roads upon giving 48 hours' notice.

Mr. Speaker, I believe that is a brief review of the principal amendments proposed in the Bill.

MR. R. CLARK: Mr. Speaker, in rising to make just two comments on second reading, might I say to the minister that I'm not being critical of the content of the Bill. But through the Speaker, I would suggest that a piece of very complex legislation like this — and as I recall, it hadn't been heralded as one of the government's major initiatives during the session — was introduced just last Monday. In legislation dealing in this area, I hope the House might have a bit longer to deal with the question before introduction and second reading. There may be some reasons, which the minister would explain at the end of the debate on second reading, why the government wasn't able to bring the Bill in earlier, but I simply say from my own practical experience, that it's very difficult to get people to react to rather complicated legislation when they have more important matters on their minds.

I ask a more serious question of the minister though, Mr. Speaker, dealing with Section 53.1. That's the area dealing with: "The minister may, by notice in writing, require any lessee" to open the books as far as the company is concerned. If I heard the minister's explanation correctly, he indicated that the government wanted access to monthly records, and some reference was made to processing of natural gas. Mr. Minister, asking for what I regard here to be rather substantive power, I think it's fair to say — very frankly, what problems have convinced the minister that in fact it's now appropriate, timely, and necessary to bring this legislation forward in the last week of the session? If some of the reasons and problems the department's had in this area could be explained to members, I for one would feel more kindly towards this particular section.

MR. SPEAKER: Does the hon. minister wish to close the debate?

MR. LEITCH: Mr. Speaker, in responding to the comments by the hon. Member for Olds-Didsbury about the timing with respect to the anticipated termination of the session: there was no particular reason it came in this late. As I explained during my opening comments, we've had a lot of difficulty trying to arrive at the correct system with respect to the registering of the financial transactions and transfers. Discussions with various members of the industry, the financial community, and the legal fraternity have been taking a good deal of time.

The other point I would make — and I didn't catch the opening comments of the hon. member as to the significance of this — is that I had not regarded it as incorporating any new or major principles. In the main, I think it is a refinement of principles already in the legislation, particularly in dealing with the question of the deeper

rights reversions, which forms the bulk of the amendments.

With respect to the question of access to documents, I don't know if any particular problems have arisen recently that brought that forward. But as we've been working with the system, it's become increasingly clear that we need access to more information, because we have more and more situations where the funds to be paid to the government will depend on the costs incurred. The only way we have of checking to make sure the proper payments are being made to the government is by having access to the documents. We have enhanced recovery schemes and things like that, where there's an effect on the royalty payment. In some ways, that's related to costs. With the natural gas processing charges, which we pay a portion of, the only way we can be sure we're being accurate, charging the appropriate costs, is to have access to those records.

For example, on marketing, the House may remember that a question was raised earlier during this session as to whether we were receiving the proper royalty with respect to the sale of sulphur through Cansulex. Again, we need access to those documents to check that information. As I say, we've done this by way of giving notice, and the operator or lessee, as the case may be, can then make the information available. Alternatively, if they wish, we can go and examine it. Of course, if they don't, the provision is that they run the risk of losing the licence. But the need for access to that information is to be able to ensure that in those instances where the costs or sale prices determine the revenue that's to flow to the government, we have to have access to those documents to ensure that that revenue flows.

MR. R. CLARK: Mr. Speaker, before you call the question, I wonder if I might be permitted one question to the minister. Very frankly, are there any existing problems that this legislation under Section 53 is being designed to deal with? Or does this legislation come forward as a result of the overall experience of the department during the past period of time?

MR. LEITCH: No, Mr. Speaker. No specific problem has arisen in the department and said, we think we have a problem and should pass this legislation to solve that problem. It's a general thing. We've realized there is an increasing number of instances where the amount to be paid to the government is determined by costs incurred by operators, lessees, and so on. The only way to check those is if you have access to the information.

For example, I'm not sure it applies here, but members of the Assembly will recall that our oil sands royalty depends on the cost. With respect to oil sands, we had that provision in to ensure that we would have access to the costs. Also, the coal royalty payments depend on certain costs. Again, we're going to have to have access to that information in order to accurately check it.

The short answer to the question is: no specific problem led to the legislation coming forward. It's a situation that's been developing as the system of payments to the government has changed. With various developments over the years, it was recognized that this is a capacity we should have.

[Motion carried; Bill 56 read a second time]

Bill 57

The Public Trustee Amendment Act, 1981

MR. CRAWFORD: Mr. Speaker, I move second reading of Bill No. 57, The Public Trustee Amendment Act.

[Motion carried; Bill 57 read a second time]

Bill 58

The Alberta Energy Company Amendment Act, 1981

MR. ZAOZIRNY: Mr. Speaker, I move second reading of Bill No. 58, The Alberta Energy Company Amendment Act, 1981.

DR. BUCK: Mr. Speaker, to the hon. member. We can discuss some of this in committee. But I'd just like to know if the member can indicate why we're going the route of preferred shares, if it's necessary for the Alberta Energy Company to go to this system of preferred shares. Furthermore, is it just a mechanism for the Alberta Energy Company to become larger?

Also, can the hon. member sponsoring the Bill indicate to the Assembly if the Alberta Energy Company is looking at becoming the poor man's PetroCan? I'd like to know if the member could also indicate to the Assembly the direction the Alberta Energy Company is moving, and what will be the additional need for investment capital?

MR. SPEAKER: May the hon. member conclude the debate?

HON. MEMBERS: Agreed.

MR. ZAOZIRNY: Mr. Speaker, the hon. Member for Clover Bar had quite a flurry of questions, and I'll do my best to respond to the gist of his comments as I understood them. With respect to the ability to create and issue preferred shares, it's simply a situation where, on reviewing the present legislation, there was some concern voiced that while the present Alberta Energy Company Act does refer in more than one instance to the concept of a preferred share, the definition of a voting share left some ambiguity as to whether or not the preferred share could be created and issued in the normal course that any other ongoing business would.

If members take a look at Section 2 of the Bill, it changes the definition of a voting share, which under the existing Act means "any share of the Company that has attached thereto any right to vote whether upon the happening of a stated event or otherwise", to say that a voting share means a share "that carries the right under all circumstances to vote on a resolution electing all or any of the directors of the Company". To explain the need for that in the context of a preferred share, as members are undoubtedly aware, a preferred share does not normally have voting rights attached to it. Its voting rights are very limited: for example, limited to the right to vote if there is a default in the payment of a dividend; in other words, a stated event.

There was concern that the present definition of a voting share would really make it difficult to effectively utilize the concept of a preferred share. So it's fair to say that the original legislation did contemplate the creation and issuance of preferred shares. But speaking to the broader question of a preferred share, I think it's fair to say that all this legislation will do is make it clear that the

Alberta Energy Company, like any other viable business entity, has the full range of financial instruments and means of raising capital that a normal active, ongoing company ought to have, ranging from the issuance of common shares which are risk-taking shares with full voting rights to the other end of the spectrum which is raising funds by way of debentures and debt financing, with the preferred share being, of course, a hybrid where the risk to the investor is far less but, by the same token, the opportunity for appreciation in value is not as great. I hope that responds in a comprehensive way to the member's question with respect to the preferred share.

With respect to his other comments about the direction of AEC, as the member is well aware, those day to day management decisions are not made in this Assembly or by this government but by the management of the Alberta Energy Company. That would be my only comment with respect to that aspect.

[Motion carried; Bill 58 read a second time]

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

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

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Will the Committee of the Whole Assembly please come to order.

Bill 1
The Provincial Court
Amendment Act, 1981

MR. CHAIRMAN: Are there any questions or comments regarding this Bill? Are you all agreed with the sections of the Bill as presented?

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill 1 be reported.

[Motion carried]

Bill 21
The Department of Advanced
Education and Manpower
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. HORSMAN: Mr. Chairman, I move that Bill 21, The Department of Advanced Education and Manpower Amendment Act, 1981, be reported.

[Motion carried]

Bill 23
The Alberta Heritage Scholarship Act

MR. CHAIRMAN: An amendment to Bill 23 has been

circulated. Are there any questions or comments regarding the amendment? Are there any questions or comments regarding the Bill as amended?

[Title and preamble agreed to]

MR. HORSMAN: Mr. Chairman, I move that Bill 23, The Alberta Heritage Scholarship Act, be reported as amended.

[Motion carried]

Bill 41
The Alberta Educational Communications
Corporation Amendment Act, 1981

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

[Title and preamble agreed to]

MR. HORSMAN: Mr. Chairman, I move that Bill 41, The Alberta Educational Communications Corporation Amendment Act, 1981, be reported.

[Motion carried]

Bill 49
The Technical Institutes Act

MR. CHAIRMAN: An amendment to Bill 49 has been circulated to all committee members. Are there any questions or comments regarding the amendment? Are there any questions or comments regarding the Bill as amended?

[Title and preamble agreed to]

MR. HORSMAN: Mr. Chairman, I move that Bill 49, The Technical Institutes Act, be reported.

[Motion carried]

Bill 2
The Lloydminster Municipal
Amalgamation Amendment Act, 1981

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

[Title and preamble agreed to]

MR. TOPOLNISKY: Mr. Chairman, I move that Bill No. 2 be reported.

[Motion carried]

Bill 3
The Livestock Diseases
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. HYLAND: Mr. Chairman, I move that Bill No. 3, The Livestock Diseases Amendment Act, 1981, be reported.

[Motion carried]

Bill 4
The Livestock Brand Inspection
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. PENGELLY: Mr. Chairman, I move that Bill No. 4, The Livestock Brand Inspection Amendment Act, 1981, be reported.

[Motion carried]

Bill 5
The Department of Agriculture
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. SCHMIDT: Mr. Chairman, I move that Bill No. 5, The Department of Agriculture Amendment Act, 1981, be reported.

[Motion carried]

Bill 6
The Attorney General Statutes
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill No. 6 be reported.

[Motion carried]

Bill 7
The Family and Community
Support Services Act

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

[Title and preamble agreed to]

MR. MAGEE: Mr. Chairman, I move that Bill No. 7, The Family and Community Support Services Act, be approved.

[Motion carried]

Bill 8
The Credit Union Amendment Act, 1981

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

[Title and preamble agreed to]

MR. KOZIAK: Mr. Chairman, I move that Bill No. 8, The Credit Union Amendment Act, 1981, be reported.

[Motion carried]

Bill 9
The Department of Education
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. KING: Mr. Chairman, I move that Bill No. 9, The Department of Education Amendment Act, 1981, be reported.

[Motion carried]

Bill 12
The Innkeepers Amendment Act, 1981

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

[Title and preamble agreed to]

MR. CAMPBELL: Mr. Chairman, I move that Bill No. 12, The Innkeepers Amendment Act, 1981, be reported.

[Motion carried]

Bill 13
The Department of Hospitals and
Medical Care Amendment Act, 1981

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

MR. GOGO: Mr. Chairman, to the minister. Where Bill 13 gives the minister authority to acquire land and construct hospitals, I would just ask if the minister has had requests for either acquiring land or building hospitals, or disposing of hospitals and nursing homes, that he couldn't comply with and, as a result of that, required the moving of this Bill.

MR. RUSSELL: No, Mr. Chairman. This first became a problem this spring when we went into the package of standardized 10-bed hospitals for six communities throughout the province. We wanted to tender them as one construction package and, when finished, turn them over to the six hospital boards on a turnkey basis, and at that time were advised that we couldn't do it. We could get around the problem by giving the drawings we had prepared to the boards to tender individually. So it really wasn't an issue. But at that time we considered the broader question: whether there may be other instances when the department, through the minister, may want or

may need to have the authority to build a hospital. With such a very large capital program facing the department in the future, it seemed like a very good and in fact necessary authority to have.

[Title and preamble agreed to]

MR. RUSSELL: Mr. Chairman, I move that Bill No. 13, The Department of Hospitals and Medical Care Amendment Act, 1981, be reported.

[Motion carried]

Bill 14
The Interprovincial Subpoena Act

MR. CHAIRMAN: An amendment to this Bill has been circulated. Are there any questions or comments regarding the amendment? Are there any questions on the Bill as amended?

[Title and preamble agreed to]

MR. KOWALSKI: Mr. Chairman, I move that Bill 14, The Interprovincial Subpoena Act, be reported as amended.

[Motion carried]

Bill 15
The Municipal Government
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. MOORE: Mr. Chairman, I move that Bill No. 15, The Municipal Government Amendment Act, 1981, [be reported].

[Motion carried]

Bill 16
The Municipal Taxation
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. WOLSTENHOLME: Mr. Chairman, I move that The Municipal Taxation Amendment Act, 1981, be reported.

[Motion carried]

Bill 17
The Police Amendment Act, 1981

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

[Title and preamble agreed to]

MR. WEISS: Mr. Chairman, I move that The Police Amendment Act, 1981, be reported.

[Motion carried]

Bill 18
The Alberta Property Tax Reduction
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. WOO: Mr. Chairman, I move that Bill No. 18, The Alberta Property Tax Reduction Amendment Act, 1981, be reported.

[Motion carried]

Bill 19
The Election Amendment Act, 1981

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

[Title and preamble agreed to]

MR. BORSTAD: Mr. Chairman, I move that Bill 19, The Election Amendment Act, 1981, be reported.

[Motion carried]

Bill 22
The Manpower Development
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. MACK: Mr. Chairman, I move that Bill 22, The Manpower Development Amendment Act, 1981, be reported.

[Motion carried]

Bill 24
The Motion Picture Development Act

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

[Title and preamble agreed to]

MR. PLANCHE: Mr. Chairman, I move that Bill 24, The Motion Picture Development Act, be reported.

[Motion carried]

Bill 27
The Pipeline Amendment Act, 1981

MR. CHAIRMAN: There is an amendment, which has been circulated to all committee members. Are there any questions or comments regarding the amendment?

MR. L. CLARK: Mr. Chairman, I would like to go on record as saying that this Act puts more restrictions on farmland with pipelines underneath it. I don't have anything against that, as long as it is recognized that the more restrictions we put on farmland in that manner, the farmers are going to have to be compensated in one way or another.

[Title and preamble agreed to]

MR. PAHL: Mr. Chairman, I move that Bill No. 27, The Pipeline Amendment Act, 1981, be reported as amended.

[Motion carried]

Bill 28
The Land Surveyors Act, 1981

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

MRS. EMBURY: Mr. Chairman, I'd like to make a couple of comments and supplement the answer I gave on second reading to the hon. Member for Little Bow. Basically the member asked two questions: if this proposed legislation would create a shortage of land surveyors, and if it would mean that any land surveyor not registered with the professional association would be able to practise land surveying in this province.

Bringing in this legislation will not create a shortage of land surveyors in this province. Secondly, all land surveyors who are practising land surveying in Alberta must be registered with the association. Bill 28 outlines on page 2 the difference between the practice of land surveying and the practice of surveying. However, all the professional land surveyors registered with the association are qualified to practise land surveying in the province.

Another part of the legislation in this Act that is new is the formation of corporations of land surveyors. The Member for Little Bow referred to this situation in his comments. While the surveyors he speaks about, with the large survey companies, are registered and can practise, the association can bring in regulations that would restrict the practice of these people unless there will be a slight change in the structure within these large corporations for the land surveyor working for that large corporation.

[Title and preamble agreed to]

MRS. EMBURY: Mr. Chairman, I'd like to move that Bill 28, The Land Surveyors Act, 1981, be reported.

[Motion carried]

Bill 29
The Water Resources Amendment Act, 1981

MR. CHAIRMAN: We have an amendment to this Act. The amendment has been circulated. Are there any questions or comments regarding the amendment?

[Title and preamble agreed to]

MR. BATIUK: Mr. Chairman, I move that Bill 29, The Water Resources Amendment Act, 1981, be reported with the amendment.

[Motion carried]

Bill 30
The Tobacco Tax Amendment Act, 1981

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

[Title and preamble agreed to]

MR. D. ANDERSON: Mr. Chairman, I move that Bill 30, The Tobacco Tax Amendment Act, 1981, be reported.

[Motion carried]

Bill 32
The Fuel Oil Administration Amendment Act, 1981

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

[Title and preamble agreed to]

MR. STEWART: Mr. Chairman, I move that Bill 32, The Fuel Oil Administration Amendment Act, 1981, be reported.

[Motion carried]

Bill 34
The Dairy Industry Act

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

[Title and preamble agreed to]

MR. FJORBOTTEN: Mr. Chairman, I move that Bill No. 34, The Dairy Industry Act, be reported.

[Motion carried]

Bill 35
The Alberta Research Council Act

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

[Title and preamble agreed to]

MR. MUSGREAVE: Mr. Chairman, I move that Bill No. 35, The Alberta Research Council Act, be reported.

[Motion carried]

Bill 36
The Provincial Court Judges Act

MR. CHAIRMAN: An amendment to this Act has been circulated to the committee. Are there any questions or comments regarding the amendment?

MR. GOGO: Mr. Chairman, on May 25 in second reading I posed a couple of questions to the Attorney General. Perhaps I should have waited until this time. He partly answered them. I'd like to rephrase the questions, if he could respond today.

One I raised was with regard to sentencing by Provincial Court judges. The Attorney General was very quick to respond that he couldn't comment on sentencing. As a member, I've had many complaints from citizens about sentencing in provincial courts. I guess the obvious question is: if the Attorney General is not in a position to comment on sentencing, perhaps he could advise me as a member as to how I could reflect those concerns of constituents with regard to dissatisfaction, in some cases, with the sentences of the court. They all arise as a result of the police forces in Alberta, at least in my area, doing an excellent job in terms of apprehension and getting them before the courts. Either a guilty plea is entered or there's a guilty finding, and then the sentences seem in no way related to the offence. Perhaps the Attorney General could advise me what route I could take to put that view to whomever.

I raised the next point on May 25, Mr. Chairman. It regards the jurisdictional question relative to the Provincial Court and the Court of Queen's Bench. As the committee knows, divorce is a matter for the Court of Queen's Bench, but there seems to be some great confusion as to the jurisdiction Provincial Court judges have. Again I would put the question that, in the example I quoted, a party had filed for divorce, there had been an examination, a trial date had been set, and nothing was done for quite a period of time. That party then went to the Provincial Court for assistance.

The point that's important to me is the matter of the individual being subpoenaed to appear in court when it's already before another court. I think the term "double jeopardy" has been used in the past, where a matter has been before one court and not resolved, no decision has been made by that court, albeit a higher court, and then the party takes it to a lower court and wins maintenance payments. It would give the impression that the person wants the best of both worlds and is achieving it.

In summation, Mr. Chairman, I guess the question to the Attorney General is: is there any way legislation under The Provincial Court Judges Act could be amended, spelling out specifically the jurisdictional question of the Provincial Court judge, so a matter like this would not happen? If that is not possible, would we have to live with the system as of today; that is, a matter before the Court of Queen's Bench is not decided, it's in limbo, and a person, rather than quitting that action, simply turns to the Provincial Court to request assistance and has that granted? Finally, once that's granted, is there any appeal to the decision of that judge on the basis that the matter was before the Court of Queen's Bench?

MR. CRAWFORD: Mr. Chairman, I enjoy the persistence of the hon. Member for Lethbridge West in trying to get some legal opinions on the record. Maybe I can deal in order with the points he has raised. As to the legal opinions though, I should caution him first that they would be only opinions and may not necessarily be right.

In regard to sentencing, however, if I left the impression at any time that no proper comment can be made on sentencing, that is not what I intended to indicate. I think on all occasions all hon. members would want to be discreet regarding matters that may be before the courts. Therefore, if a case is pending, a discussion as to what should happen is inappropriate. But when a sentence has been given, I'm often in the position of responding to inquiries about why a sentence was handled in a certain way. My only concern is that I don't want to be persistently or continuously in the position where public

comments from the Attorney General, or indeed any member of the government, would be a sort of running commentary on how well that minister or that representative of the government thinks the courts are doing. Of course the reason for that is that the judiciary enjoy independence in what they do, and are called upon to judge individual cases day in and day out. It has often been noted that oversimplifications can so easily occur when we lose sight, even temporarily, of the fact that each accused, when in court, is entitled to be treated as an accused in that case, and not as a member of a class — in other words, saying all persons who have done such and such should be sentenced more harshly. One has to remember that there are specific facts to that case and a specific defence for that individual. The courts can only function that way. Therefore judges are very conscious of the fact that each case is likely to be different from any other, although there are undenied similarities in certain types of cases.

When I give explanations to people about why the sentencing in a case may have been handled in a certain way, it's usually based on my agreement with the person that a sentence in a particular case was not stiff enough. Then I would say to that person, we have appealed. The proper form is for the highest court in the province, being the Alberta Court of Appeal, to review the matter and outline principles that the courts below could maybe follow in certain types of cases. That is an area where, when it's commented on, the appropriateness of a sentence is indeed binding upon the junior courts.

The other type of response I may give a person, rather than saying I agree with you, and we are appealing — I may say, I don't agree with you and I think the appeal should not be taken. The other possibility is: we would like to have appealed, but we don't think we would succeed. So in those cases we don't.

Now how does a person convey to the place where it matters — that is, the courts — one's views in regard to sentencing other than, as I've indicated, making the argument on behalf of the Crown in the higher court. I think the question of sentencing is made the subject of public comment from time to time, and no doubt has some affect on the courts in the sense that various associations make their views known publicly. One would frequently include references to the police chiefs' association, the Association of Police Commissions or the like. Editorial writers of newspapers take it upon themselves to make those comments. Presumably these are of some interest to the chief presiding judges of each court. They do take them into account. Mr. Chairman, I think those are some of the ways sentencing may be properly discussed.

As to the free legal advice the hon. Member is seeking in regard to the jurisdiction in family matters, primarily between the Provincial Court and the Court of Queen's Bench, I think I noted at the time of second reading that this has been a difficult enough issue so that in some of the discussions that looked to the possibility of certain amendments to the constitution, it received some considerable amount of attention. It was hoped that the result of those discussions might untangle some difficulties that remain in the question, not so much of jurisdiction but of practice within the courts in regard to family law.

The hon. member is correct, I'm sure, in saying that a case may be entertained under certain circumstances by a Provincial Court judge, despite the fact that a Queen's Bench action may have been commenced. My understanding is that a Provincial Court judge would not

purport to deal with a matter raised in a Queen's Bench action if anything had been done in that respect in the Court of Queen's Bench that would take it out of reach for the Provincial Court judge. However, in other circumstances — for example, where an action had been commenced but not carried to the point where any order was made and for all purposes may have been abandoned by the party taking the action in the superior court — the Provincial Court judge, as I understand it, would retain jurisdiction to deal with matters that were properly given to him as a provincial judge under the law.

I think that is the statement of the way it would be handled, the only remaining question being areas granted to the provincial courts pursuant to the law. Of course they exist in provincial statutes, including The Provincial Court Act, and the actual jurisdiction in that sense. The ability of the court to deal with it is not really addressed by Bill No. 36.

[Mr. Purdy in the Chair]

MR. GOGO: Mr. Chairman, I very much appreciate the comments and perhaps the advice of the hon. Attorney General. However, on the question of sentencing, I wasn't attempting to address in any way how one would respond to a specific sentence with regard to a specific individual. Rather, if we could take a case in point, the question was in terms of, for example, an offence such as the possession of marijuana. If one looks at the statistics, east of Manitoba about 40 per cent receive absolute discharges, whereas in the province of Alberta it's about 2 per cent. There seems to be great discrepancies with Alberta as regards other parts of Canada. One would assume that the attorneys general of all the provinces would address this kind of issue in deliberations at conferences. That was the context in which I was addressing the question to the Attorney General, not with regard to any specific one.

But from time to time we see offences committed and people apprehended. The police seem to have done an excellent job. In some cases there has been tremendous expense. They are found guilty; there's no question about that. But then in the sentencing of the judge it appears — albeit I haven't been in the courtroom, I'm not making the judgment — that some of those sentences are extremely lenient. That was the context in which I raised the question, Mr. Chairman.

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill No. 36 be reported as amended.

[Motion carried]

Bill 20
The Artificial Insemination of
Domestic Animals Amendment Act, 1981

MR. DEPUTY CHAIRMAN: Are there any comments to be offered on any section of this Act?

[Title and preamble agreed to]

MR. SCHMIDT: Mr. Chairman, I move that Bill 20, The Artificial Insemination of Domestic Animals Amendment Act, 1981, be reported.

[Motion carried]

[Mr. Appleby in the Chair]

Bill 37

The Workers' Compensation Act, 1981

MR. CHAIRMAN: There are some amendments with regard to this Act. Two different sheets of amendments have been circulated to the committee members. Are there any questions or comments regarding the sections of this Act?

[Title and preamble agreed to]

MR. DIACHUK: Mr. Chairman, I move that Bill 37 be reported as amended.

[Motion carried]

Bill 40
The Public Utilities Board
Amendment Act, 1981

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

[Title and preamble agreed to]

DR. WEBBER: Mr. Chairman, on behalf of the Member for Edmonton Whitemud, I would like to move that Bill No. 40, The Public Utilities Board Amendment Act, 1981, be reported.

[Motion carried]

Bill 43
The Business Corporations Act

MR. CHAIRMAN: There is an amendment to this Act. The amendment has been circulated to all committee members. Are there any questions regarding the amendment?

[Title and preamble agreed to]

MR. KOZIAK: Mr. Chairman, I move that Bill No. 43, The Business Corporations Act, be reported as amended.

[Motion carried]

Bill 44
The Securities Act, 1981

MR. CHAIRMAN: An amendment to this Act has been circulated to all committee members. Are there any questions or comments regarding the amendment?

[Title and preamble agreed to]

MR. KOZIAK: Mr. Chairman, I move that Bill 44, The Securities Act, 1981, be reported as amended.

[Motion carried]

Bill 45
The Societies Amendment Act, 1981

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

[Title and preamble agreed to]

MR. L. CLARK: Mr. Chairman, I move that Bill No. 45, The Societies Amendment Act, 1981, be reported.

[Motion carried]

Bill 48
The Municipal Taxation
Amendment Act, 1981 (No. 2)

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

[Title and preamble agreed to]

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

[Motion carried]

Bill 53
The Partnership Amendment Act, 1981

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

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill No. 53 be reported.

[Motion carried]

MR. CRAWFORD: Mr. Chairman, one other Bill, Bill No. 42, would have been dealt with in committee, except for the absence of the sponsor. I've asked that the Minister of Education come if he's available. If we can wait just a moment, maybe we could deal with that one as well.

Mr. Chairman, as the minister is on his way to deal with Bill No. 42, maybe I could take the opportunity of raising the question of House business — although we are in committee, members are present — and just indicate that when the committee reports, we'll be proposing to go ahead with second reading of the six private Bills shown on page 4 of the Order Paper. At that time, if members were inclined to indicate ahead of time that the Bills given second reading today might also be dealt with by committee, and if there was time, we could then revert to committee again.

Bill 42
The School Amendment Act, 1981

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

[Title and preamble agreed to]

MR. KING: On behalf of the hon. Member for Calgary Millican, I move that Bill No. 42, The School Amendment Act, 1981, be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of the Whole Assembly has had under consideration and reports the following: Bills 1, 21, 41, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 15, 16, 17, 18, 19, 22, 24, 28, 30, 32, 34, 35, 20, 40, 48, 53, and 42; and reports the following with some amendments: Bills 23, 49, 14, 27, 29, 36, 37, 43, and 44.

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

HON. MEMBERS: Agreed.

PRIVATE BILLS
(Second Reading)

Bill Pr. 1
The Katherine Jean Jackson Adoption Act

MR. LYSONS: Mr. Speaker, I move second reading of Bill Pr. 1, The Katherine Jean Jackson Adoption Act.

[Motion carried; Bill Pr. 1 read a second time]

Bill Pr. 5
The Calgary Research and Development
Authority Act

MRS. EMBURY: Mr. Speaker, on behalf of the Member for Calgary North Hill, I'd like to move Bill Pr. 5, The Calgary Research and Development Authority Act.

[Motion carried; Bill Pr. 5 read a second time]

Bill Pr. 6
The Eau Claire Trust Company Act

MR. PAYNE: Mr. Speaker, I move second reading of Bill Pr. 6, The Eau Claire Trust Company Act.

[Motion carried; Bill Pr. 6 read a second time]

Bill Pr. 9
The Paramount Life Insurance Company
Amendment Act, 1981

MR. D. ANDERSON: Mr. Speaker, I move second reading of Bill Pr. 9, The Paramount Life Insurance Company Amendment Act, 1981.

[Motion carried; Bill Pr. 9 read a second time]

Bill Pr. 10
The Alberta Bible Institute
Amendment Act, 1981

MR. STROMBERG: Mr. Speaker, I move second reading of The Alberta Bible Institute Amendment Act, 1981.

[Motion carried; Bill Pr. 10 read a second time]

Bill Pr. 12
The Burns Memorial Trust
Amendment Act, 1981

MRS. EMBURY: Mr. Speaker, I move Bill Pr. 12, The Burns Memorial Trust Amendment Act, 1981.

[Motion carried; Bill Pr. 12 read a second time]

MR. CRAWFORD: Mr. Speaker, I would like to seek the unanimous consent of the Assembly to take more than one step in respect to the Bills read a second time, including both the private and public Bills read today, in order that we might go back into committee and deal with those Bills.

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

MR. CRAWFORD: Mr. Speaker, I move that you do now leave the Chair and that the Assembly resolve itself into Committee of the Whole to consider certain Bills on the Order Paper.

[Motion carried]

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

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Will the Committee of the Whole Assembly come to order.

Bill 46
The Employment Standards
Amendment Act, 1981

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

MR. YOUNG: Mr. Chairman, I think it would be useful to say a few words about this amendment. I had a question from an hon. member who was not in the House at second reading, and that's why I passed over the comment at that time. This amendment is brought in for a very specific purpose. There are situations in which the consent for deductions from pay for charitable purposes has traditionally been achieved via the collective agreement. That is most particularly the case in the city of Edmonton. The unions and some of the employees of the city of Edmonton were quite concerned that in trying to preclude deductions from pay which it was felt were inappropriate at the time we passed The Employment Standards Act last fall, we tightened the definition and requirement for individual employee consent to the point that it put in question whether or not the schemes of deduction which had been developed with the consent of the employees by virtue of their requesting and achieving the same in the form of a collective agreement would put those kinds of programs in jeopardy.

This amendment is for the specific purpose of first of all achieving our original objective, which was that inap-

propriate deductions not be made. As an illustration of inappropriate deduction, I think I'd use the case where a waiter or waitress is employed in a restaurant and, through no fault of theirs, diners walk out without paying for their dinner. This should not be deductible from the wages of the individual staff member. That will continue to be the case and, by this amendment, we will have introduced the flexibility to enable deductions if these are approved by virtue of the collective agreement. It is a requirement in almost all cases that the terms and conditions of the collective agreement be voted upon and have the support of the members of the union.

[Title and preamble agreed to]

MR. YOUNG: Mr. Chairman, I move that Bill 46, The Employment Standards Amendment Act, 1981, be reported.

[Motion carried]

Bill 33
The Senior Citizens Benefits
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. BOGLE: Mr. Chairman, I move that Bill 33, The Senior Citizens Benefits Amendment Act, 1981, be reported.

[Motion carried]

Bill 52
The Banff Centre Amendment Act, 1981

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

[Title and preamble agreed to]

MRS. OSTERMAN: Mr. Chairman, I move that Bill 52 be reported.

[Motion carried]

Bill 54
The Legislative Assembly
Amendment Act, 1981

MR. CHAIRMAN: An amendment to Bill 54 has been circulated to the committee. Are there any questions or comments regarding the amendment? Are there any questions regarding the Bill as amended?

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill 54 be reported.

[Motion carried]

Bill 57
The Public Trustee Amendment Act, 1981

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

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill 57 be reported.

[Motion carried]

Bill 58
The Alberta Energy Company
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. ZAOZIRNY: Mr. Chairman, I move that Bill 58 be reported.

[Motion carried]

head: **PRIVATE BILLS**
(Committee of the Whole)

Bill Pr. 1
The Katherine Jean Jackson Adoption Act

MR. CHAIRMAN: An amendment to this Bill has been circulated to committee members. Are there any questions or comments regarding the amendment? Are there any questions or comments regarding the Bill as amended?

[Title and preamble agreed to]

MR. LYSONS: Mr. Chairman, I move that Bill Pr. 1, The Katherine Jean Jackson Adoption Act, be reported as amended.

[Motion carried]

Bill Pr. 5
The Calgary Research and Development
Authority Act

MR. CHAIRMAN: An amendment has been circulated to members. Are there any questions regarding the amendment? Are there any questions or comments regarding the Bill as amended?

[Title and preamble agreed to]

MRS. EMBURY: Mr. Chairman, I move that Bill Pr. 5 be reported as amended.

[Motion carried]

Bill Pr. 6
The Eau Claire Trust Company Act

MR. CHAIRMAN: Are there any questions or com-

ments regarding the sections of this Act?

[Title and preamble agreed to]

MR. PAYNE: Mr. Chairman, I move that Bill Pr. 6 be reported.

[Motion carried]

Bill Pr. 9
The Paramount Life Insurance Company
Amendment Act, 1981

MR. CHAIRMAN: An amendment has been circulated to the committee. Are there any questions or comments regarding the amendment? Are you all in favor of the sections of Bill Pr. 9 as amended?

[Title and preamble agreed to]

MR. D. ANDERSON: Mr. Chairman, I move that Bill Pr. 9, The Paramount Life Insurance Company Amendment Act, 1981, be reported as amended.

[Motion carried]

Bill Pr. 10
The Alberta Bible Institute
Amendment Act, 1981

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

[Title and preamble agreed to]

MR. STROMBERG: Mr. Chairman, I move that The Alberta Bible Institute Amendment Act, 1981, be reported.

[Motion carried]

Bill Pr. 12
The Burns Memorial Trust
Amendment Act, 1981

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

[Title and preamble agreed to]

MRS. EMBURY: Mr. Chairman, I'd like to move that Bill Pr. 12, The Burns Memorial Trust Amendment Act, 1981, be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of the Whole Assembly has had under consideration and reports the following: Bills 46, 33, 52, 57, and 58 and private Bills 6, 10, and 12; and reports Bill No. 54 and private Bills 1, 5, and 9 with some amendments.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, as to House business, it's not proposed that the Assembly sit tonight. Tomorrow afternoon has been designated in part for government business. I think hon. members have noted, as I do now, that given the possibility of accelerating for more than one stage a few Bills, involving three or four second readings and, as a result, three or four committee studies, that would be done tomorrow; then, if there's time, third readings.

DR. BUCK: Mr. Speaker, one question to the hon. Government House Leader. Does the Government House Leader anticipate that [with] the rate of progress we've exhibited this afternoon we would sit tomorrow evening, if need be?

MR. CRAWFORD: Yes, Mr. Speaker. If that is necessary, I would say tomorrow evening.

[At 5:05 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]