

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, March 29, 1982 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

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

MR. MACK: Mr. Speaker, this afternoon it's my pleasure to table with the Legislature the report of the Auditor General, covering the period to March 31, 1981.

head: **INTRODUCTION OF BILLS**

Bill 14**Clean Air Amendment Act, 1982**

MR. PAHL: Mr. Speaker, I request leave to introduce a Bill, being the Clean Air Amendment Act, 1982.

The purpose of Bill 14 is to increase the effectiveness of the Clean Air Act in protecting the quality of the environment, with respect to air-borne emissions.

[Leave granted; Bill 14 read a first time]

Bill 23**Water Resources Amendment Act, 1982**

MR. HYLAND: Mr. Speaker, I beg leave to introduce Bill 23, the Water Resources Amendment Act, 1982.

This Bill will set the time at which actions relating to the Water Resources Act can commence. It will add summer villages and Metis settlements, where they qualify for projects within the Act, and it will also allow for an assessment against lands that benefit from drainage projects.

[Leave granted; Bill 23 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bills 14 and 23 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. COOKSON: Mr. Speaker, I wish to table the Department of the Environment annual report for the year ended March 31, 1981.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. COOK: Mr. Speaker, I'd like to introduce to you, and through you to members of the Assembly, nine young Albertans from the Dickinsfield Boys & Girls Club

in my constituency. Kathy Melham and Charlene Pendergast are with the students in the members gallery, and I ask them to rise now and receive the very warm welcome of the House.

MR. PAHL: Mr. Speaker, it's my pleasure to introduce to you, and through you to other members of the Assembly, 28 members of the 94th Company of Girl Guides, from Mill Woods, accompanied by four moms and three leaders: Mrs. Kuntz, Mrs. Waters, and Mrs. Johnston. They are in the members gallery, in their attractive blue uniforms, and I invite them to rise and receive the traditional welcome of the Assembly.

MR. TRYNCHY: Mr. Speaker, today it's my pleasure to introduce to you and to the members of the House 28 grade 6 students from St. Joseph school in Whitecourt. They are accompanied by their teacher Mrs. Finley, a number of parents, and their bus driver. I ask that they rise and receive the welcome of the House.

MR. MAGEE: Mr. Speaker, it's my pleasure today to introduce to you and to the members of the Assembly 20 social studies students from Red Deer College, who have travelled to the Legislature. They are presently reviewing political systems in our society, and we welcome them here today. I ask that they please rise, with their instructor Ed Kamps, and receive the usual greetings from the House.

MR. KUSHNER: Mr. Speaker, it indeed gives me pleasure to introduce four gentlemen from the Alberta Union of Provincial Employees in Calgary. They're just up to do some negotiating on their contract with the Alberta Hospital Association. They include Mr. Tom Minhinnett, the provincial vice-president; Mr. Bob Fehr, the secretary of Branch 55; Mr. Al Cabana, a registered nursing orderly; and Mr. Brian Baxter, a union steward and back-up negotiator. I'm sure hon. members of the Assembly would be happy to receive them and provide them with a cordial welcome.

head: **ORAL QUESTION PERIOD**

Auditor General's Report

MR. R. SPEAKER: Mr. Speaker, my first question is to the Minister of Social Services and Community Health, and it deals with the Auditor General's report. On page 54, the Auditor General points out that the minister withheld certain records the Auditor General wished to examine. Under Section 15, the Auditor General has the right to see those records. Could the minister indicate why those records were withheld from the Auditor General, in his examination of the financial matters of the government?

MR. BOGLE: Mr. Speaker, the question of information sought by the Auditor General and hitherto denied him was first brought to my attention in January this year, when I saw a copy of the letter from the Auditor General to the associate deputy minister of the department. After a careful review by the associate deputy minister, looking at what was being sought — and that was primarily access to senior management committee meeting minutes, financial staff minutes, management portions of management audit reports, as well as information contained

in the confidential files in child welfare. It was the latter point that caused the greatest concern — as I was advised — within senior management of our department because, as members will be aware, the confidential files in child welfare are only released with the utmost care.

After careful review by the solicitors acting on behalf of the department, it was determined that because of the safeguards built into it, the Auditor General Act does provide the Auditor General with access above and beyond the normal routes used to obtain that information. Therefore, on March 4 this year, the associate deputy minister of the department wrote to the Auditor General to make clear that that information would be made available to him and to his staff.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the hon. acting Premier indicate whether there is a general rule in government that records of senior management meetings, policy meetings, finance meetings, or any other records are withheld from the Auditor General in his investigation?

MR. HYNDMAN: Mr. Speaker, they would be present only to the extent that the Auditor General has identified any situations like that. Otherwise, the government follows the legislation and regulations in all respects.

MR. NOTLEY: Mr. Speaker, a supplementary question, if I may, to the hon. Minister of Social Services and Community Health. The Auditor General makes this observation in the report ended March 31, 1981. In his answer, the minister indicated that after review on March 4, 1982, this information was provided to the Auditor General. Can the minister advise the House what time frame we are looking at, at this stage, from the time the request was first made by officials of the Auditor General's department until such time as the government complied with the request?

MR. BOGLE: Mr. Speaker, to be clear, the information was first made known to me via the Auditor General in the correspondence between him and a senior official in the department on January 11, 1982. I was copied on that correspondence. We immediately began to review the legislation to determine what was causing the problem, particularly with regard to the Child Welfare Act and the confidential information contained therein. The letter sent by the associate deputy minister, dated March 4 this year, makes it very clear that present and past information is certainly available to the Auditor General, under the terms of that correspondence.

MR. NOTLEY: Mr. Speaker, a supplementary question. From his perusal of the files, can the minister tell the House when the request was first made — not the letter the minister alluded to, of which he received a copy in January this year. In his review, after receiving information about it, when was the department first approached by officials of the Auditor General's department? I raise that question because we're talking about the year ended March 31, 1981.

MR. BOGLE: Mr. Speaker, in the review conducted within the department, there was reference to earlier correspondence with the former chief deputy minister's office. We have no file on that. I'll be very pleased to go back and review again, to determine exactly when the

discussions took place between officials of the Auditor General's department and our department.

MR. NOTLEY: Mr. Speaker, a supplementary question. After receiving a letter from the Auditor General to his chief deputy minister, and now that we have this information contained in the report of March 31, 1981, can the minister advise the members of the Assembly why, in his review of the facts, he did not attempt to find out what happened, when the first approach was made by the Auditor General's department, and how long this process dragged on before it was brought to the minister's attention?

MR. BOGLE: Mr. Speaker, it seems to me that when correspondence is made available and a problem is identified, it's incumbent upon the minister to find out why certain information is not being provided and, if there's a logical reason for it, to stand behind the officials in the department. I can only surmise that the action being taken by senior officials in the department was, in their view, what they had to do because of the legal constraints upon them through the Child Welfare Act.

After the assessment was completed, we discovered that the Auditor General Act does in fact supersede the Child Welfare Act in this particular area. So in discussion with the associate deputy minister, I indicated that the information should be made available to the Auditor General, without any further delay. Very clearly, if the Auditor General wishes information, either from previous meetings further to those I made reference to or on particular files, that information will be made available. Most important, it's how we will conduct ourselves and officials in the Department of Social Services and Community Health will conduct themselves in the future.

MR. NOTLEY: Mr. Speaker, a supplementary question. What steps did the minister take, in terms of the reporting system within the department, because the Auditor General Act does in fact supersede other legislation? If there was a period of time when officials in the department were not complying with the Act, what specific steps were taken by the minister to determine the problems in the reporting system, that this kind of decision to override an Act was not immediately brought to the minister's attention?

MR. BOGLE: Mr. Speaker, it seems to me that's basically the same question I already answered. Once I was made aware of a concern by the Auditor General, I immediately began to review, through our legal services, to find out why the information wasn't being provided. On March 4, there was correspondence to the Auditor General. The information is now being provided.

MR. NOTLEY: Mr. Speaker, a supplementary question.

MR. SPEAKER: Might this be the final supplementary by the hon. member. I think we may have some supplementaries by the hon. Leader of the Opposition.

MR. NOTLEY: Mr. Speaker, my question to the hon. minister is not what took place when the information was brought to the minister's attention but what steps the minister took, immediately upon receipt of this information, to inquire as to when the information was first brought to the department's attention and why the report-

ing system failed, in that it was not immediately brought to the minister's attention?

MR. SPEAKER: With great respect, that appears to be the second repetition of the same question.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. minister, with regard to the recommendation: "remove the restrictions imposed by him" — "him" referring to the minister. Can the minister indicate why the restrictions in investigating necessary records of the department were placed on the Auditor General in the first place?

MR. BOGLE: Mr. Speaker, in my review following receipt of the January 11 correspondence from the Auditor General, I discussed with senior members of the department the very questions raised, as to minutes of senior management committee meetings, portions of management audits which did not relate to the fiscal audit area, and the finance staff meetings. A view was held within the department — and it was not a correct view — that that information was outside the scope of the Auditor General. When I became aware of that, after the receipt of the January 11 letter, we reviewed the matter very carefully and obtained legal advice, particularly as it related to child welfare. The information is now being provided to the Auditor General.

Petrochemical Development

MR. R. SPEAKER: Mr. Speaker, my second question is to the Minister of Energy and Natural Resources. It's generally with regard to the petrochemical industry but specifically with regard to the future of the proposed petrochemical plant at Bruderheim. Could the hon. minister indicate whether the Alberta Energy Company is going to proceed with any type of development there, or whether the plant is on hold for some time?

MR. LEITCH: Mr. Speaker, I don't have any up-to-date information on that matter that I could give the Assembly.

MR. R. SPEAKER: Mr. Speaker, a supplementary question with regard to the petrochemical industry generally, across Alberta. Could the minister indicate whether other pull-outs are in the offing at the present time? Is the industry going to move full speed ahead, or are the brakes coming on?

MR. LEITCH: Mr. Speaker, I think that question would be more appropriately addressed to my colleague the Minister of Economic Development.

MR. PLANCHE: To our knowledge, Mr. Speaker, all those operators who had asked for industrial development permits are going ahead with their projects. We understand that Alberta Energy is still actively looking for a partner in Petalta, and we've had no formal notification that the project won't proceed sooner or later.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. Minister of Economic Development. The projection is 15 petrochemical plants in the province of Alberta. Can the minister indicate whether that projection still holds, and what percentage of those projects will go ahead?

MR. PLANCHE: As I said, Mr. Speaker, there is no reason to believe that those who ask for industrial development permits are not going ahead as specified. Earlier there was some question about how the ethylene would be allocated from the Alberta gas ethylene plants at Joffre, and I think that has largely been taken care of. Of course, we don't phone every week to find out whether or not they're going to go. A lot of preliminary work goes into one of those projects. They seem to be proceeding on course, with the exception of Petalta.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. My understanding is that current figures show that supplies outstrip demand by 35 per cent, and that this figure could increase in the coming three years. Could the hon. minister indicate the projected viability of those plants? Have any studies been carried out with regard to these specific figures?

MR. PLANCHE: Mr. Speaker, the proof of the pudding is in the eating. Presumably the people who put up the risk money know what they're doing, in terms of international marketing of ethylene. The overcapacity question: some people who produce ethylene have very obsolete plants that are oil based, and their economics are decidedly different than they used to be.

Of course, one other factor is that high interest rates have affected automobile production, which affects textiles and plastics in cars. High interest rates have also affected housing, which has been a dramatic deterrent to the consumption of fabric for drapes, upholstery, and rugs. Those are functions of high interest rates that are worldwide, in terms of demand. We are watching with considerable interest. It's still an attractive place to invest, relative to the rest of the world, because there is cost-of-service ethylene. As I said, at this time we have no reason to believe that the plants won't go ahead.

DR. BUCK: Mr. Speaker, a supplementary question to clarify a point the Minister of Economic Development made. Did the minister say that the Petalta project is still in a holding position; it has not been entirely scrapped?

MR. PLANCHE: Mr. Speaker, the only notification I have had of the status of Petalta is that their partner Esso has withdrawn from the project.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. minister. It relates to one of the earlier answers, with regard to the 15 petrochemical plants. Could the minister indicate whether that is the number potentially on stream at the present time, or are there more or fewer than that?

MR. PLANCHE: To answer that accurately, I would have to get back to the Leader of the Opposition, Mr. Speaker.

DR. BUCK: Mr. Speaker, a supplementary question. Can the Minister of Economic Development indicate to the Assembly if an application has been forwarded to the Executive Council for the methanol plant between Washtenau and Lamont?

MR. PLANCHE: The last contact we had with the principals of that particular project was that they are going forward with the ERCB, and they have a land position in place.

Constitution

MR. D. ANDERSON: Mr. Speaker, my question is to the hon. Minister of Federal and Intergovernmental Affairs. Inasmuch as the results of past constitutional talks are about to become a reality, is the hon. minister in a position to indicate when talks will resume with regard to the issues not yet concluded in constitutional discussions?

MR. JOHNSTON: Mr. Speaker, the only good information I can provide to the Assembly would deal with the question of natives, which all members know is clearly spelled out in the constitutional Act. I would simply draw to your attention that in the constitutional Act there is provision for a meeting of first ministers, within the next year, to deal with outstanding questions on native rights. I think the best target — or at least it's an opinion, Mr. Speaker — is that it will take place some time in the fall of 1982.

MR. D. ANDERSON: A supplementary question, Mr. Speaker. Is the hon. minister in a position to indicate if there have been discussions on other topics not concluded in the constitutional discussions, and if dates have been established for those topics?

MR. JOHNSTON: Mr. Speaker, during the first round of constitutional discussions — I'm going back to 1980, I guess — there was something called a second list of constitutional items, which we were attempting to put together and find some common position before September 1980. However, there has not been much forward movement on those other issues, although the pressure for change and clarification is just as certain now. For example, with the question of pay-TV before us, there is need to have the area of communications clarified. I think the minister responsible for telecommunications has commented on that as well.

Mr. Speaker, all I can say is that there is no final or firm agenda with respect to a second round of constitutional discussions. I think the provinces feel it is needed. In examples here, we clearly see questions of jurisdiction which are not solved by the constitutional changes.

MR. D. ANDERSON: Mr. Speaker, a further question to the hon. minister. Has the government made the decision to continue pursuing such talks, with the idea of standing firm on issues outlined in *Harmony in Diversity* in 1976? Is that still the framework for future constitutional discussions with the Ottawa government?

MR. JOHNSTON: Mr. Speaker, that is a statement of fact. Our position, and the position of the government of Alberta, was well debated in this Assembly. I'm sure all hon. members at the time remember the discussion with respect to *Harmony in Diversity*, which is the official government position on constitutional change. There is no reason for us to move from that position.

MR. D. ANDERSON: Mr. Speaker, one final supplementary question for clarification. Can the minister or the acting Premier assure the House that in any future constitutional discussions, the government will continue to pursue the policy that no rights currently enjoyed by Albertans or their government will be relinquished?

MR. JOHNSTON: Mr. Speaker, I am sure that on behalf of the government of Alberta, we can give that assurance.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Federal and Intergovernmental Affairs. Now that the Bill has passed Westminster, has the government made any formal representation to the Prime Minister in terms of moving on to the second-level items on the agenda? Have we presented any specifics in the last several days or, indeed, in the last few months?

MR. JOHNSTON: Mr. Speaker, we recently had a meeting with officials in Ottawa, where the so-called second-level items for discussion were considered. The priority at this point is to deal with the question of native rights, as provided by the constitution. I think we'll deal with that first, before moving into the second-level discussions.

MR. NOTLEY: A further supplementary question, Mr. Speaker. Bearing in mind the concern, especially in western Canada, of regional representation and a more balanced approach to decision-making in Ottawa, has the government made any recent proposal with respect to a reconstituted House of the provinces, which might replace the Senate?

MR. JOHNSTON: Mr. Speaker, I can't recall our making any recent statements with respect to a House of the provinces. I think there have been discussions, in various fora, with respect to ways that could be effected. In particular, I know that a very important annual meeting was held recently, at which that question was asked. We said that we were considering ways the Senate could more properly reflect the equality of the provinces in the central institutions. Whether that's by a reformed Senate, or by a House of the provinces, remains to be seen. During the constitutional discussions in the summer of 1980, I think there was ample opportunity for discussions on that issue by all provinces and the federal government. At this point, the province of Alberta is leaning towards a House of the provinces but has not really had the opportunity to debate that from a firm policy position.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister in any position to give Albertans some indication as to a timetable when the leaders of this country will look at structural changes? In view of the concerns and the growing separatist feelings in parts of the country, is any new importance being given to the timetable for basic structural changes in the form of our federal government?

MR. JOHNSTON: Mr. Speaker, I simply restate the fact that this was mentioned as a priority during the summer of 1980, not just from western Canada's point of view but from the Maritime provinces' point of view. I think it is clear that there is a feeling of lack of representation in some of the central institutions, and I think one way that could be accomplished would be through a House of the provinces or by a dramatically reformed Senate.

I think we must recognize that representation by population is fairly well provided for in the House of Commons. But there is a need, which has been expressed by representatives of all governments, for some other way in which the equality — the smaller provinces or those with less population, perhaps — could be represented in some central federal institution, in particular the Senate. In terms of priority, I think it's clearly a priority of all governments. In terms of moving into the national debate, that's dependent upon many factors, one of which

would be the predilection of the central government to move in that direction.

Auditor General's Report
(continued)

MR. NOTLEY: Mr. Speaker, I'd like to put this question to the acting Premier, in the absence of the hon. Premier. Now that we have the Auditor General's report, when may we expect a firm position by the government of Alberta with respect to recommendations one and two in the report, which deal specifically with greater legislative accountability for the Heritage Savings Trust Fund and which were also in the interim report tabled a few weeks ago?

MR. HYNDMAN: Mr. Speaker, there's nothing I can usefully add to the definitive statement the Premier made some days ago, as to the way in which the government would be dealing with those important recommendations. They are under consideration and, when decisions are made, they certainly will be announced.

MR. NOTLEY: A supplementary question. Can the Provincial Treasurer outline for the members of the Assembly what obstacles stand in the way of the government making a decision on these proposals, in view of the fact that the government has had the interim report for some time? The Auditor General has put both these proposals in his report, as well as several other proposals on the accountability of the heritage trust fund. What obstacles prevent the government from making a decision on this?

MR. HYNDMAN: Mr. Speaker, the report and the previous report of February 25 are very properly in detail, and have been carefully thought through. I think the same kind of intelligent attention should be given to them with respect to the government's reaction, not on a segmented basis but with respect to the essence, details, and specifics of the report. That is the kind of consideration being given on a very thorough basis. The pros and cons are being examined. When decisions have been taken — realizing they will have implications for years and not just months — they certainly will be announced, and the Assembly will have a chance to comment on the matter.

MR. NOTLEY: A supplementary question. Will the minister outline to the Assembly the process of review of these recommendations at the moment? Is it a thorough evaluation by the investment committee? Is it Executive Council? Is it government caucus? Is it what was passed by a political convention? What is the process of the government's review of these recommendations?

MR. HYNDMAN: Mr. Speaker, it is all those entities just mentioned by the hon. gentleman, and others as appropriate.

MR. NOTLEY: Mr. Speaker, a supplementary question. Now that we have the recommendations in the Auditor General's report, is the Provincial Treasurer in a position to assure the House that by the time the fall session meets, there will be at least a response to those recommendations?

MR. HYNDMAN: I can certainly give an assurance as to the fact that there will be a specific response, with justifi-

cations, with respect to each of the recommendations. I haven't talked to the House leader. So not knowing when the fall session may begin or end, I wouldn't want to put a cap on the time line. Certainly as soon as proper and thorough consideration has been given, and we're ready to indicate the government's position — and we're doing that with all dispatch — it will be made public.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Government House Leader, with respect to the Auditor General's call, on page 38, for more information to be presented in all appropriation Bills. Setting aside the other aspects of accountability that the Auditor General makes reference to and that the Provincial Treasurer has alluded to, what specific review has been made of that proposal? What changes, if any, will be made by the government in supplying additional information to members of the House before they consider appropriation Bills?

MR. CRAWFORD: Mr. Speaker, I would have to say to the hon. member that at the present time, I'm not in a position to answer with any description of what might be done. As the Provincial Treasurer indicated, any of the recommendations made by the Auditor General are of interest and importance. It would be some time, though, before any indication could be given.

MR. NOTLEY: Mr. Speaker, a supplementary question. On page 55, the Auditor General makes reference to an assessment, by the Public Accounts Committee, of program effectiveness. Is the Government House Leader in a position to advise the Assembly whether specific time would be made on the agenda of the fall session of the Legislature, so in fact a report could be presented by the Public Accounts Committee?

MR. CRAWFORD: Mr. Speaker, once again I'm not in a position to answer the hon. member's question in any definitive way. It is something that certainly could be looked at, though.

Water Wells

DR. BUCK: Mr. Speaker, I have one or two short questions for the Minister of the Environment, to do with water wells in the Scotford area. Can the minister indicate if he is aware if any studies have been done in that area to see if drilling the deep wells at some of the petrochemical sites, to drain off the surface moisture so they can put pilings down, is having any adverse effect on the farmers in the area? Has the minister had any concern brought to his attention?

MR. COOKSON: Mr. Speaker, I'd have to check with the department. I believe some inquiry came in with regard to a concern about deep-well drilling. Perhaps I could check with the department and respond.

DR. BUCK: Mr. Speaker, a supplementary question. If there is a problem in the area, can the minister indicate what contingency plan the Department of the Environment has, to make sure the people of the area do have adequate water supplies in their local and farm wells?

MR. COOKSON: Mr. Speaker, our legislation is fairly strict in this regard. Under the Water Resources Act, anyone drilling for industry water supply, in particular,

requires a licence. That licence spells out the amount of withdrawal, and at what depths, et cetera. As part of the licensing procedure, we have to satisfy ourselves that it wouldn't in any way interfere with the normal domestic ground water supply. If we are in any way in doubt that the draw-down would impact on domestic supply, we would require the particular company to monitor and report to us. In some cases, we would do our own monitoring. If there is a possibility of impact on domestic supply, under the licensing we would reassess the draw-down and perhaps require the company to cut back on the total volume of supply.

DR. BUCK: Mr. Speaker, a supplementary question. I think the problem would be that once the wells are dry, that's the problem. Can the minister assure the Assembly that he will look at the matter immediately and report to the Assembly? Once the wells are dry, Mr. Minister, it's too late.

MR. COOKSON: Again, it depends on what we are satisfied is the supply at that lower level. But we can check to see what the total supply is in that particular area. If necessary, we can do the monitoring to determine the capacity of the present wells. If there's an impact, we fall back on the licence. So I can assure the member that we can do that for him.

ORDERS OF THE DAY

head: GOVERNMENT BILLS AND ORDERS (Third Reading)

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

No.	Title	Moved by
3	Department of Government Services Amendment Act, 1982	McCrae
7	Planning Amendment Act, 1982	Moore
9	Cancer Treatment and Prevention Amendment Act, 1982	Embury
10	Law of Property Amendment Act, 1982	Chichak

head: GOVERNMENT MOTIONS

8. Moved by Mr. Crawford:

Be it resolved that the report of the Select Standing Committee on Privileges and Elections, Standing Orders and Printing, presented to the Assembly on March 25, 1982, be concurred in and that the *Standing Orders* of the Assembly be amended accordingly.

MR. R. SPEAKER: Mr. Speaker, on a point of order. As Leader of the Opposition, in conjunction with my colleagues on this side of the Legislature, I'd like to give notice that we want to boycott this resolution. It limits the opportunity of members of the Legislature to speak to the supply or the budget of this province. Mr. Speaker, I wish to boycott it for four reasons: first of all, that the government wishes to impose rules on this House and future Houses ...

MR. CRAWFORD: Mr. Speaker, that is not a point of order.

MR. SPEAKER: Order please. I'm not aware of any parliamentary procedure, in the 700-odd years of our parliamentary system, that goes under the name of "boycott". I would have difficulty considering a point of order under that label. Perhaps the hon. leader might use some language known to parliament.

MR. R. SPEAKER: Mr. Speaker, I appreciate that. Under my point of order, I wish to indicate to you that I, along with my colleagues, wish to leave the Assembly during the discussion of this specific resolution. We will be absent until a vote is taken, for various reasons. One I've pointed out is with regard to the fact the rule is to be imposed on this Legislature and future ones. Secondly, in the committee study, I found that there was no room for compromise or compromise offered by government.

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order please. There's certainly no wish on my part to interfere in any way with the broadest latitude in anything the hon. leader might wish to say. He was elected for that purpose, and I fully respect that. But under a motion of this kind, I don't know whether we can sit in judgment or review of what has gone on in a committee. It's true that there is provision in our rules of procedure, our *Standing Orders*, for an appeal of a decision made by a chairman of a committee. Other than possibly the right of the House to refer something back to a committee for specific further attention, I'm not aware of any way we can now review the procedure in that committee by way of a sort of belated or quasi-method of appeal.

MR. R. SPEAKER: Mr. Speaker, on my point of order. I'd finally just like to point out that the matter before us is so serious, in rule changes, that I feel I can't be any part of the discussion or format of it. On that basis, I feel that my best move is to leave the Assembly at this time, for the purpose of not being part of such a suppressive rule change.

MR. NOTLEY: Mr. Speaker, speaking on the point of order. [interjections] A point of order has been raised by the Leader of the Opposition. [interjections] Would hon. members just listen for a moment. There have been numerous occasions when, for one reason or another, members are not able to stay in the House and rise to explain that position. I think opposition members are in that position today, Mr. Speaker. I want to make it very clear that, regretfully though it may be, I feel I have to leave my place. The fact of the matter is that we have ...

MR. COOK: Mr. Speaker, on a point of order.

MR. NOTLEY: You can't have a point of order on a point of order.

MR. SPEAKER: Order please. I think we should get one thing clear. We're really not on a point of order. We have started debate on the motion. Members are emphasizing their dislike of the motion by saying that they're going to absent themselves from the vote, and giving reasons for doing that. That's debate: to give reasons they don't like the motion. Liking or not liking a motion and your

opinion of it is the common content of debate, and quite properly so.

I don't know what the hon. Member for Edmonton Glengarry has in mind, but if he has a genuine point of order with regard to something under debate, perhaps we ought at least to identify it.

MR. COOK: Mr. Speaker, the point of order I was going to raise was simply that if the hon. gentlemen opposite want to make a statement, they can do that as their opening statements on the motion, and then leave. But to make this spurious attempt right now just doesn't make sense, Mr. Speaker. I don't understand the point of order they are raising. It certainly doesn't reflect anything in the House rules. There's no provision for it. If they want to participate in debate, they're welcome to. They're welcome to do it as their opening statement in the debate, and then leave.

MR. SPEAKER: I hesitate to adopt this word "spurious". In my innocence, I might suspect that to be a cowboy expression.

I think we should get back to the debate. If the hon. members of the opposition wish to give reasons they don't like the motion, to the point of leaving the Assembly, I think they're entitled to say so.

MR. NOTLEY: Thank you, Mr. Speaker. On the . . .

MR. CRAWFORD: Mr. Speaker, resuming what . . .

MR. NOTLEY: I believe I was recognized by the Speaker. [interjections] I was interrupted by a point of order on a point of order, which is not in the rules.

SOME HON. MEMBERS: Order.

MR. SPEAKER: Order please. Let's get back to the substance of what's going on. The hon. Member for Spirit River-Fairview certainly has the floor. He's entitled to speak for his allotted time, if he wishes. [interjections] Order please. I'm coming to that. But certainly if what he says purports to raise a point of order, I think we have always recognized in the House that an interruption for raising a point of order is acceptable and recognized. I think we have to hear what the hon. Government House Leader has to say.

MR. CRAWFORD: Mr. Speaker, along with many others, no doubt, perhaps I misunderstand what's going on at present. But on such points of order as may be before you, sir, for consideration now, I believed that those had been ruled against and that it was in order for me now to proceed with my remarks in moving the motion.

MR. NOTLEY: Mr. Speaker, on a point of order, if I may. With great respect to the effort on the part of the hon. member across the way, if one is going to absent oneself from a debate, you really cannot credibly do that when you speak formally in the debate. Normally we have always made provision. There are times members feel there may be a conflict. They stand up and say, I must excuse myself for the following reasons. They then leave the Chamber before the debate begins. That has occurred over and over again.

So, Mr. Speaker, it would seem to me just a matter of courtesy for those of us on the opposition side, if we feel

strongly about the matter, to make it clear to members of this House that we are going to exempt ourselves from this debate, for the reasons the Leader of the Opposition has presented and the reasons I too would present: this is a bad resolution which is going to suppress free speech in this Assembly.

MR. SPEAKER: Order please. Possibly I have to accept some responsibility for this, but I think *Hansard* will show that a few moments ago I expressed the opinion that in giving their reasons for not staying for the vote, the hon. members of the opposition were in fact debating the motion; that we were not on a point of order, and they were entitled to their time limits if they wanted to give those reasons, but they're in fact debating the motion.

The only difference between that and ordinary debate is that in ordinary debate, you say why you don't like the motion, then you stay to vote against it. In this one, we're saying why we don't like the motion, then we leave and don't vote against it. But that doesn't change what is out-and-out debate into a point of order. That's why a moment ago I said that I didn't understand the hon. Member for Edmonton Glengarry to be raising a point of order on a point of order, which the hon. Member for Spirit River-Fairview quite properly took objection to, if in fact we were on a point of order.

But it's true that the hon. Leader of the Opposition characterized his intervention by a point of order. I expressed the opinion that in substance it is not a point of order; it's simply debating the merits of the motion and saying, I don't like it and I'm not going to be around for the vote. That's hardly different from debating the thing and staying for the vote. So if there's been a misunderstanding, in fairness I think we should allow the Leader of the Opposition to continue his debate on the motion. Then whoever else wants to go on . . .

MR. COOK: Mr. Speaker, [inaudible] finish his remarks introducing the motion.

MR. SPEAKER: I'm sorry, I had lost track of that. I hope that's understandable under the circumstances. The hon. Member for Spirit River-Fairview was debating the motion. As I understood it, the hon. Government House Leader was getting up on a point of order that had something to do with the speech by the hon. Member for Spirit River-Fairview.

MR. CRAWFORD: Mr. Speaker, I have not concluded my remarks in moving the motion, and propose to proceed with that now.

MR. R. SPEAKER: Mr. Speaker, on a point of order.

MR. SPEAKER: That is actually where we're at. We've lost sight of the fact — and I accept that responsibility — that the hon. Government House Leader has started to debate the motion. He has been interrupted by hon. members who are expressing views contrary to his, under the guise of points of order, giving reasons for leaving the Assembly. Those are really not points of order, as I respectfully suggested a moment ago; those are debate on the motion. Therefore we should proceed in the usual orderly way. As the mover, the hon. Government House Leader has the floor to debate the motion.

MR. KESLER: Mr. Speaker, on a point of order, I must rise at this time to register a protest against proceeding with this punitive motion . . .

SOME HON. MEMBERS: Order.

MR. SPEAKER: The mover hasn't completed his speech in support of moving the motion, so points of view which support his view or are contrary to it are not yet able to reach the floor. If the hon. member wishes to say what he thinks about the motion, he will have the same opportunity as every other hon. member in the House, when the time comes.

DR. BUCK: Mr. Speaker, on a point of personal privilege. I would like your ruling. The point has been made that if people feel they are in conflict on an Act before this Assembly, they state: I may be in conflict of that Act and ask permission to absent myself. Before the motion comes in, Mr. Speaker, I want your ruling. I would like to know how I can indicate to you, sir, that I wish to absent myself before the debate occurs.

MR. SPEAKER: By simply walking out of the Chamber without debating the motion. Very, very simple.

There's no question of personal privilege. If I correctly understood the remarks by the hon. Member for Clover Bar, he was drawing an analogy between this situation and a situation where a member absents himself because he has a conflict of interest personally.

DR. BUCK: May have.

MR. SPEAKER: Yes. That's not the situation we are in. The members of the opposition who have spoken so far have made it abundantly clear that they really want to debate the merits of the motion before it's fully moved, then leave the Assembly and not be around for its being moved. I'm not aware of any parliamentary privilege, right, or procedure of that kind in any way.

The situation now is that the hon. Government House Leader has the floor. Anybody who wants to walk out or come in while he's debating is, as usual, free to do so.

[Opposition members left the House]

MR. CRAWFORD: Mr. Speaker, my speeches are bad, but they're not that bad. Had hon. members of the opposition known how brief I intend to be, I think they would have found it all would have been done by now without the points of order, so far as my contribution to the debate is concerned.

Mr. Speaker, I want to express the feeling that when the House first began to give consideration to the matter submitted to the committee on privileges and elections some weeks ago, the issue came up about parliamentary precedent and whether it was suitable to proceed with amendments to the *Standing Orders* without reference to a committee of the Assembly, or whether the tradition should be followed — if it was a tradition — that the committee on privileges and elections, or indeed possibly a special committee of the Assembly, might look at the matters so raised.

Mr. Speaker, all members of the Assembly felt that a useful thing would be to provide an opportunity, in committee, for discussion of the proposed amendments to the *Standing Orders*. That was a suggestion by the Leader of the Opposition. The government members agreed with

that. At that time, it seemed to me a way hon. members of all parties in the Assembly might find some measure of agreement with regard to the changes proposed. It is only fair to say — as far as I can refer at all to what transpired in the committee, although the minutes are before hon. members — that the Member for Clover Bar, who was a member of the committee, didn't show up at the meetings, and that the Leader of the Opposition, who did come to the meetings, made no suggestion whatever in regard to any change; the purpose in having such a suggestion being to see the areas of potential agreement, a number of them having been suggested in the committee by me.

Mr. Speaker, perhaps I need say no more about what took place leading up to the resolution now before the Assembly and leading to the recommendation of the Committee on Privileges and Elections, Standing Orders and Printing. That recommendation is that the rules of the Assembly indeed be amended. Without reiterating the points made in earlier debates on the substantive motion itself, none of the, I suggest, insincere and grandstanding steps taken by hon. members in the opposition parties today . . .

MR. SPEAKER: With great respect to the hon. Government House Leader, I would have great difficulty in accepting an accusation of insincerity as a parliamentary expression. I'd be very glad if the hon. Government House Leader might deal with that a little further.

MR. CRAWFORD: I'd very sincerely like to do that, Mr. Speaker. I withdraw that reference so far as it is made here in the Assembly. If it's required to withdraw it in any other way while I stand here, Mr. Speaker, I go the extra mile.

In conclusion, all I want to indicate is that every opportunity was given for discussion in committee. Not only were no useful suggestions made by the Leader of the Opposition; none whatever were made. Mr. Speaker, to come forward today and adopt the position that the process is in some way wanting, is not an argument that could be maintained here. I therefore urge all hon. members to give their support to Resolution No. 8.

MR. BATIUK: Mr. Speaker, if I could just ask one question of the hon. House leader. Are the time restraints proposed in this motion about the time that has been spent in the past, so it could be enough time for debate, or is there more time than we've ever had previously?

MR. SPEAKER: With great respect, that would not appear to be a question that asks for an explanation of something already said by the hon. Government House Leader. It's simply an invitation to further debate as to the adequacies of the time limits. The hon. Member for Vegreville is fully entitled to have his own view on that point and to express it if he wishes.

MR. BATIUK: Mr. Speaker, I must have missed that.

MR. PAHL: Mr. Speaker, I'd like to speak briefly to the motion, because I was a member of the committee that it was referred to. I, like the hon. House leader, would like to express my regret that this is an expression of how some hon. members view the parliamentary process working.

I would like to draw attention to an indication of the hon. Leader of the Opposition before he retreated from

the field. He indicated that there was no flexibility within the work of the Standing Committee on Privileges and Elections, Standing Orders and Printing. Mr. Speaker, he's quite right with respect to his position. I would just draw from the remarks of the hon. Leader of the Opposition during the Tuesday, March 23, 1982, meeting of the committee:

... we don't accept any rule changes. We're not prepared to make any compromise with regard to this resolution or motion, or change in the rules that is before us.

Mr. Speaker, the hon. Leader of the Opposition requested the motion go to committee, and I think the entire House was willing to have that debate and take up the time of the whole committee. He requested it not be there when we met in committee. By mutual agreement, the committee was delayed one day so that the hon. Member for Clover Bar, who did not participate in the first meeting of the committee, could perhaps state his views. The effect of holding over the report of the committee to another time was to no avail. He didn't show up.

Notwithstanding the actions of the opposition, we as legislators must accept the responsibility to make sure that our Assembly — its rules and behavior — has a relevance for the society in which we function and on whose behalf we function. Therefore, Mr. Speaker, I urge all hon. members to support these rule changes that will go forward, admittedly without the benefit of any honest contribution — sorry, I guess that's not the right word — without any contribution whatever from members opposite. It's with a great deal of regret that I see that happening, but I still urge hon. members to accept our responsibilities as parliamentarians and effect the rule changes that will help our Assembly become more relevant to the society in which we operate.

[Motion carried]

head: COMMITTEE OF SUPPLY

[Mr. Purdy in the Chair]

MR. DEPUTY CHAIRMAN: The Committee of Supply will please come to order for further consideration of the estimates.

Department of Economic Development

MR. DEPUTY CHAIRMAN: Has the Minister of Economic Development any opening remarks?

MR. PLANCHE: Yes I have, Mr. Chairman. It might be useful to the members in the Legislature to have me review our activities and once again describe the mandate of this new department.

Mr. Chairman, the key elements of our mandate are to sustain economic strategy over the medium to longer term; to identify and eliminate or modify trade and commerce impediments, including transportation and tariffs; to establish and reinforce through infrastructure and fiscal measures the reward to risk; to balance economic opportunities; to capitalize on our natural advantages; and finally, wherever possible, encourage maximum upgrading of our resources, both renewable and non-renewable.

I think it's also important to mention, Mr. Chairman,

that we are a staff not a line department. I say that because projects that begin and are initially funded in our department tend to have aberrations in our budget proposals, so it makes it difficult to compare them year after year. After many of the initiatives that began in the department came to fruition, they were taken out and placed in proper line departments, including Alberta Terminals Ltd., the energy bus program, and eventually Prince Rupert. In view of the fact that no opposition members are in the House, I'll restrict my comments till later, and take any questions that may come.

MR. DEPUTY CHAIRMAN: Has the Minister of State for Economic Development — International Trade any remarks to make?

MR. SCHMID: Mr. Chairman, actually I was going to wait until Vote 14 was called.

Agreed to:

11 — Program Support	\$2,659,000
12 — Planning and Services	\$4,611,200
13 — Development of Industrial Programs	\$6,246,900

14 — International Trade

MR. SCHMID: Mr. Chairman, considering once again that the opposition is absent and that possibly they should also be aware of what an excellent contribution the government of Alberta has made to help Alberta exhibitors and manufacturers throughout the world to offer their products, in fact successfully sell their products, maybe I should hold my remarks until members of the opposition are present. My colleague the hon. Minister of Labour is shaking his head.

SOME HON. MEMBERS: Carry on.

MR. SCHMID: Mr. Chairman, I would just like to make a few remarks. Quite often it has been said that we have been really successful in offering the specific products of the oil and gas manufacturing industry. In this case, I think I should especially mention the work that has been done to take part in exhibitions for farm equipment around the world.

Just to quote a few statistics, we took part at the Ag-Expo farm equipment show in Spokane, the Canada Farm Show in Toronto in 1980, the Montana Agritrade Exhibition, a 3 I farm equipment show, the Western Canada Farm Progress Show, and in a number of exhibitions. The total on-site sales of these farm equipment expositions amounted to \$314,450. The total potential sales uncovered in 1980 alone were \$6,962,000.

We took part in a construction exhibition which, within 12 months from that show, amounted to possible sales of over \$11 million. Mr. Chairman, we also have sportswear manufacturers here in Alberta who took part in exhibitions, especially in the United States and in other parts of Canada. In 1980, these amounted to \$438,000 in actual on-site sales, and \$2,714,000 in potential sales over a 12-month period.

I could say the same for 1981. We took part in the Ag-Expo show in Spokane, where we had total sales of \$87,300. In the Canada Farm Show in Toronto, we had seven companies participating, for a total sales volume of \$95,500. We went to the California farm equipment show.

where we had five companies participating, for total sales of \$46,800. We again went to the Garden City, Kansas, show, where we had seven companies, for total sales of \$72,100; to the Western Canada Farm Progress Show in Regina — 25 companies for total sales of \$756,500; and the agricultural equipment show in Australia, with six companies, where we had total sales of \$50,000.

Again, Mr. Chairman, between the months of January and December 1981, the total amounted to \$1,108,200. The potential sales — that is, sales that we expect within the next 12 months — amount to \$13,541,500. This is only a small example of the success we have in that area. In the same year, we also had participation in clothing exhibitions. The total sales there were \$152,350, and the potential sales for Alberta manufacturers were \$355,000.

I wanted to bring out the statistics, because I think the people in the exhibitions area — Mr. Jim Perret, Mr. Brian Edmundson, Mr. Bob Scott — have done an outstanding job in helping our Alberta companies to find other markets around the world to make, without any question, the Alberta export potential that much more attractive. I should also mention the fact that the Speech from the Throne emphasized that the increase of manufactured goods in the oil and gas sector from 1980 to 1981 was 399 per cent. In other words, \$92 million worth of goods were sold to other countries. That isn't only to the United States but to the Pacific Rim and the Middle East. Over \$360 million of that was sold in 1981 from the oil and gas sector alone.

Mr. Chairman, it would be unfair if I did not also point out the number of Alberta companies which have come along on our trade missions. We compiled some statistics and found that on the trade missions started when this sector of the department was established, by last June the total amounted to \$488,757,800. That is the sales that were signed or came as a result of trade missions and the follow-up work. In fact, the total amount of tenders uncovered during the ministerial trade missions amounted to over \$7,000,268,000.

These are only dollar amounts, Mr. Chairman, but you'll remember that the great number of companies which were along benefited from that. One company which made it public, and I can therefore name, is NOWSCO in Calgary, which quoted to the press that had it not been for a trade mission we took to India and Pakistan, they would probably now have to lay off many more people than are still working there, because they received a contract for about \$8.5 million, and a contract in Pakistan for about \$2.5 million, which they are now working on and which keeps our oilfield services equipment manufacturers employed.

Mr. Chairman, before I end my remarks, I'm sure my colleague the Hon. Hugh Planche would join me in thanking our staff, from the Deputy Minister, Dallas Gendall, to our Deputy Minister of Planning and Services, Clarence Roth, and all the other staff for the fantastic and outstanding contributions and help they have given us in the past year. I know we can count on them in the following year.

MR. R. SPEAKER: I have some questions here, Mr. Chairman, but I thought the other members were going to rise. I missed part of the earlier remarks, and I regret that very, very much. In terms of the oil industry and export to other countries, did the minister touch on that in his remarks with regard to equipment? Is there a heavy demand at the present time? I'm sure we have expertise here. What is actually happening?

MR. SCHMID: Mr. Chairman, I could quote, for instance, the Singapore oil show, where we had 20 Alberta companies, which sold on site about \$7,400,000 of oil and gas equipment. Some of these companies were literally small manufacturers who depended on that sale in Singapore in order to keep their shop open, so to speak. I'm not saying that this alone is the solution or resolution of the problems our oil equipment manufacturers and the service industries in that area have. However, if we can imagine that out of that one show alone in Singapore came potential business of over \$109,800,000, we can therefore say that these kinds of exhibitions and missions are very, very successful. Maybe we can also quote some other missions we have been on, where we were asked to supply certain equipment. In particular, one specific company out of Edmonton, since last June when they joined us on that mission, sold \$21 million worth of Alberta manufactured equipment to that particular country. I could go on.

I used to say, when we went on our missions, that without any doubt Alberta has some of the best experience in the world. Now we can honestly say that we have the best experience in the world in many areas, whether it's sour gas processing or enhanced recovery. Specifically, I should mention the co-operation we have from AOSTRA, because a number of contracts have been signed with other countries — Venezuela, Romania, and other countries that have heavy oil — to share the experience, expertise, and technology that only Alberta has. That helps other countries to produce heavy oil in that capacity.

In addition, I should also mention that when I say manufacturing, maybe we forget what the statistics of Canada don't show, and which our statistics will hopefully show this year for the first time; that is, our sales in engineering services. For instance, one particular company received a \$5 million contract from one of the nations for waste disposal, which is not necessarily top technology in Alberta but obviously good enough to have beaten out a number of other nations in that specific contract.

Mr. Chairman, in answer to the hon. Leader of the Opposition, I can only say that we're doing our best and, hopefully, we will continue to try to help Alberta manufacturers offer their goods overseas. I can only say this much: wherever we have offered those goods, it is the best in that area around the world.

MR. R. SPEAKER: Mr. Chairman, to the hon. minister. In terms of target areas in the world, do we target certain countries; for example, Europe and Australia? What types of things happen there? In the minister's plan of international trade, are we targeting certain areas, or do we work from the kinds of products we have and target those into the world market?

MR. SCHMID: Mr. Chairman, as I mentioned in my remarks, naturally in the other shows we participate in, like farm equipment shows and so on, we only have specific areas, like the United States, Australia, and even some centrally planned economies. But since in Alberta we have the major sales and the major manufacturing capacity in the oil and gas sector, we can pretty well state that wherever a nation or country is presently engaged in the exploration, drilling, production, processing, and transmission of oil or gas, we make this nation one of our target areas, because we know we can do business there.

In one nation, it might only be an ... [inaudible] ...

engineering contract. In other nations, as we have had proven to us — the hon. member mentioned Australia; we have sold a number of drilling rigs to Australia. We also expect to participate in other developments in their oil and gas sector. Without any question, the reputation of Canadian companies, specifically in Australia, is in highest regard. The same thing can be said for Indonesia, Malaysia and, I would suggest, even as far as the Philippines is concerned. We have recently been asked to have one of our engineering companies look at one of the reservoirs. Hopefully this can be accomplished. Mr. Chairman, Europe as such is not an oil or gas producing area. Therefore I would say that our targets are countries other than Europe in that specific manufacturing capacity Alberta has.

MR. BATIUK: Mr. Chairman, in my appreciation of the minister's successes and endeavors, there is a continued demand on the good quality of breeding stock and our livestock in this province. It seems that the minister has, in his remarks, mentioned the number of sales. I wonder whether it wouldn't be appropriate if the province of Alberta, maybe under the Department of Agriculture, held an annual livestock trade fair where interested buyers throughout the world could come. It would be a good opportunity to make these sales. Would the minister comment on that?

MR. SCHMID: Mr. Chairman, as the hon. member knows, we have already been successful in sales of herd and range improvement programs to other nations. I'm quite sure that my hon. colleague the Minister of Agriculture would appreciate the fact that co-operation between his department and ours is just excellent. In discussing it with him, it may not be a bad idea at all to have this kind of livestock program specifically turn toward export of this type of expertise. Again, we have the development in Alberta which has been sold successfully in other parts of the world, so much so that we have had delegations come to Alberta to look at our agricultural development, study our herd management and, as I mentioned before, to see the artificial insemination programs we have. Whether it's South America, the centrally planned economies of Romania, Czechoslovakia, or Hungary, or whether it's South Korea, they all have participated in that program.

DR. PAPROSKI: Mr. Chairman, I certainly appreciate the comments of the Minister of State for Economic Development — International Trade. I'm looking forward to the comments of the Minister of Economic Development too. I just want to lay on the record that it certainly demonstrates the provincial initiative, thrust, and drive which show that this province stands to gain — when we speak of this province standing to gain, we mean all citizens gaining; we must not forget the multiplier effect this has. I would like to compliment them again, not only the ministers but the department, for the aggressive stance they're taking for this province, in spite of the lackadaisical action the federal government is taking in this area, with respect to this province.

I wonder if the minister would also comment on the Pacific Rim activity going on. I want to know about the activity now and the prospects for the future, recognizing that it's a vast market. Would the minister just make some comments about the possible difficulties we're facing and, if there are difficulties, what is being done to rectify that? Secondly, I'd like to hear the minister rank the maximum amount of activity in international trade

the province has generated over the past year, by number one, number two, number three country, if that's not too difficult.

How do Alberta companies — if I were an Alberta company, and I'm sure there are many small companies listening to this debate or who read *Hansard* — indicate to the department that they would like to go on this mission and find out clearly whether their particular product is needed by a particular country? What is the process? Does the minister or his department solicit this from the various companies in this province? Do they advertise in some way we're not aware of, or does the company have to come directly to the department and ask?

Finally, I wonder if the Minister of Economic Development would comment on the coal slurry pipeline. What has been happening there? I know that is not under this particular vote, but maybe in his closing comments he might want to make some comments on that.

Thank you.

MR. SCHMID: First of all, I would state that our export markets are determined by the export of our natural resources and grains. So to take that out of context would be very difficult, because what I really was speaking of were the manufactured goods we sold to other countries. While, for instance, the total exports from Alberta, excepting grains, were \$7.980 billion, naturally most of that went to the United States. The second largest trading partner was Japan. But it would be difficult to say that one or the other country was the leading purchaser. We have to face the fact that about 90 per cent of our exports go to the United States. That is really the good point of our export activities. I mentioned before that the increase in manufactured goods from Alberta in 1981 as compared to 1980 was 399 per cent. That means we sold more manufactured goods to other countries in 1981 than we sold to the United States in 1980. That would be one indication.

When I'm asked what kind of market the Pacific Rim is, all we have to do is look at the gross national product increase in Pacific Rim countries, especially Asian countries, and we will know where our future is as far as markets are concerned — much more so there, I would suggest, than some other countries which, as we know, have rather stagnant economies. All these countries are still exploring, drilling, and processing hydrocarbons, especially oil and gas, which would be the best market for our manufacturing area in Alberta. I am not saying that as far as our grain, livestock, and food processes markets are concerned, but specifically for our manufactured goods.

[Mr. Appleby in the Chair]

I think the hon. member also asked me to name some major countries we have been exporting to. Mr. Chairman, that would be rather difficult. It is, in fact, the report Alberta Exports 1980, that would give that kind of background. I should say again that it does not include the excellent and outstanding work our engineering companies have done, because these kinds of sales are what we call invisible exports. As I mentioned before, hopefully we will include those this year in our report, that will possibly come out before the first half of this year is over.

I would like to thank the hon. member for his comments. My colleague might mention Japan when he gets up, because he was there recently. While some diffi-

culties have arisen, so there is no mistake I should say that the excellent co-operation we have received from the Department of External Affairs and the Department of Industry, Trade and Commerce — especially from the regional director, Mr. Doug Branion, and overseas, the ambassador and his staff, and the commercial staff — has just been outstanding. As a Canadian, I am very proud of the fine work they have done with us to help Alberta manufacturers sell their goods overseas.

MR. PLANCHE: Mr. Chairman, on the issue of the coal slurry pipeline, as a province we have contributed one-third to a study to determine whether it is technically feasible to slurry pulverized coal in methanol for export purposes. The lead player in that is Chieftain. The impetus for getting involved is the fact that we determined that, over time, we're probably going to have a shortfall in our capacity to move product west. It seemed appropriate to look for alternate modes. Coal being the heavy tonnage one, and our ability to make methanol out of capped gas, seemed to be a natural marriage. I am pleased to report that technically, in a preliminary way, it looks feasible. The Japanese, who have a test circuit in place, are pleased with the burner tip results and with the ability of the coal to stay in suspension for the time required to get it from Alberta to their power systems. I would suspect that by some time in the third quarter of this year, we will start looking into the economics of it in a preliminary way at least once the technical capability has been proven.

As to trading with Japan, in my judgment we have a great deal to learn. As a nation, we've traditionally traded east into what's now the EEC. Because Alberta is primarily a producer of energy and food, we need to look for markets that are complementary, not competitive, and that directs us west. At the same time, we want to have maximum upgrading of production here and some sharing in a joint venture way of facilities so there is a technology transfer. There is a lot of work to be done. Our judgment is that Japanese businessmen are still nervous about FIRA. Because of the way they conduct their business in committees and through trading companies, they still haven't been able to take advantage of the decisions that need to be made for energy involvement, because the time window is too short.

I was gratified to see that one of their major banks is going to locate in Alberta, perhaps as a result of our visit in January. Certainly there is renewed interest in an involvement with our petrochemical people in an equity way rather than by contracts. I would think that over time there will be upgrading here, and the watershed between upgrading here and upgrading in Japan will be dictated by the market. We have a lot of work to do. It's an enormous market to be involved in.

Hong Kong is a very different issue. Seven or eight million people live there, and it's really a window on the People's Republic of China. What would be done in Hong Kong would naturally be of interest to the People's Republic of China, so it would be a showcase for our product. It's interesting to notice that there are thousands upon thousands of youngsters in middle management and commerce in Hong Kong who were educated in Canada, many of them in Alberta, who look forward to doing business with us. Our judgment is that Canada is doing very little in Hong Kong right now, and Alberta is doing about the same amount as New Brunswick. If you were in Hong Kong, you could eat eggs from the United States, apples from New Zealand, and beef from Australia, but

not very much from Canada and certainly not very much from Alberta. It will be our intention to remedy that. As you know, Fred Peacock will be going there. There's no question in my mind that considerable activity will be stirred up because of that gentleman's fertile imagination and very active mentality. So we look forward to a great deal of increased activity in both Japan and Hong Kong, and indeed around the Pacific Rim.

MR. SCHMID: Mr. Chairman, I do have some figures here that my hon. colleague from Edmonton Kingsway might be interested in. In 1980 our exports to Asia, excluding Japan, were \$185,210,000; to the European community, \$127,548,000; and to South America, \$95,984,000. Maybe I should mention to the hon. Leader of the Opposition that South America — Venezuela and Peru — is one of our major target areas now, because it is just starting in direct development of oil and gas, specifically in Peru, I understand. That will be an additional market for Alberta manufacturers.

DR. PAPROSKI: Mr. Chairman, a supplementary on that topic.

MR. CHAIRMAN: A number of members have indicated they would like to enter the discussion. I should probably read the list to you now, so you'll know where you come in on the order of speaking: Pincher Creek-Crowsnest, Lethbridge West, Drayton Valley, and Calgary Millican.

MR. BRADLEY: Mr. Chairman, I will be very brief. I want to ask both ministers whether they might be able to comment on the opportunities that Alberta and Canada would have with regard to export of thermal and metallurgical coal, and how they view the current decrease in the international price of oil as affecting those markets in the future.

MR. SCHMID: Mr. Chairman, if my colleague permits me, I could state that there is a very great demand for Alberta thermal coal — or steam coal, as it is called — in Europe and in some centrally planned economies. For instance, we could take a country like the Philippines, which is really not basing any of its energy requirements on oil or gas, even if they have found gas themselves. Their major energy development is in biomass in their own country, development of their coal fields, and buying coal from other countries.

I suggest to the hon. member that if we have the capacity in Alberta to produce coal from coal mines which are already developed and — hopefully through the help of my colleague, the coal slurry pipeline — the transportation problem is solved, then we can have all the markets for coal that we could possibly desire in the future. I do not think that market will be affected by the oil slump, because the countries which have made up their minds to base some of their energy generation, especially power generation, on coal will not change their minds even though the price of oil may still drop, stay the same, or in fact go up. In this case, I can only mention Japan, which I understand by the year 1990 will require 50 million tonnes of steam coal alone. So you can imagine that countries like the Philippines, Japan, and Italy want to have a diversified supply of their coal, and thereby also guarantee for Canada — B.C. and Alberta — an export sale in coal. I think we can say that if we can fill it, we can have it.

MR. GOGO: Mr. Chairman, I want to make some comments relative to the Minister of State for Economic Development — International Trade and the Minister of Economic Development. I obtained and mailed out a few extra copies of the minister's annual report, that came out some time ago. Quite frankly, I don't think there's another province in Canada that has the international activity that Alberta has, as evidenced by that report. To the Minister of State for Economic Development — International Trade, I wonder if a better job couldn't be done with regard to getting that information around the province. The people I sent it to were very surprised at the aggregate dollar amount that Alberta was responsible for exporting.

Frankly I've got to agree. I don't think the communication of that has really been as good as it should be. Whether that means a larger distribution, I don't know. But frankly, the people were very surprised. It's something like our international aid. We seem to be criticized all the time for not giving international aid. But as the minister knows — certainly the Minister of Culture — we give far more than any other province in Canada. I don't think these things are generally known.

Mr. Chairman, last summer I had the opportunity of being in Hong Kong on the way to Sri Lanka. I spent a few days and had an opportunity to tour Hong Kong, Kowloon, and the New Territories to the border. First of all I feel that Mr. Herb Pickering, who was there at the time, is a super guy in terms of having an understanding of the potential in the Hong Kong area. As the Minister of Economic Development said, it's really a window on China. Of the five or five and a half million in Hong Kong, they have become so much like Japan that they're the second highest in terms of labor costs in the east. They have to go to Taiwan and places like Sri Lanka in terms of labor cost, but there's no question in terms of potential markets.

Observations have been made. For example, there's good beef there, but it's sure not Canadian beef. Why isn't it Canadian beef? There are a lot of reasons. The good offices of Mr. Pickering — and I should point out that I had the opportunity of going to the Ontario office, which was virtually a cubbyhole. Quebec had a presence there through the Canadian High Commission. But virtually no Canadian province had much of a presence there at all, other than Alberta. Although impressive, the Alberta office frankly didn't have much of a staff. It really only had Mr. Pickering and another person. I would like to try to make the case — and maybe it's been looked after — that with Mr. Peacock going there, a strong effort be made to have one, two, or three trade officers whose sole responsibility is to generate this type of dialogue between Alberta businessmen and those in the Hong Kong area and those Rim countries. Quite frankly the Agent General, as it were, is so tied up with doing an ambassador's or high commissioner's job, that I don't think it really gives him time to get involved in trade matters. If that's going to be followed, it goes without saying that certainly someone who either comes from Hong Kong or is knowledgeable in terms of Chinese, certainly Cantonese, should be part of that trade office.

As well, the minister mentioned those who had been educated in Alberta. About 17 University of Lethbridge alumni are now in the Hong Kong area. Mr. Carmel Tse, in particular, was very helpful to Mr. Pickering, not only because of the language but because he had a good understanding of Alberta and, of course, Hong Kong.

Mr. Chairman, I want to make a couple of points in

terms of questions. Is the minister at all concerned about this lease question, which expires in 1997? While I was there, I noticed the largest real estate transaction in world history took place: \$400 million for one block of city property. Anybody who would pay that kind of money is obviously convinced that the lease between the People's Republic and England will be renewed. Has the minister had either questions or concerns raised by Alberta people about establishing in any capital way, projects in the Hong Kong area subject to that lease?

The other question I had was whether the minister would like to make a comment on what increased trade would do for the country, relative to balance of payments. We hear so much talk that to establish a made-in-Canada interest rate policy, we simply have to reach a point where the balance of trade between Canada and other countries has to increase. Maybe the view is that that's unrealistic, looking at what Alberta can do. But surely every bit of trade from Alberta outside of Canada has to be positive in that regard.

Mr. Chairman, let me close by again thanking the minister's good offices, particularly Mr. Pickering for the excellent way he handles visitors from Alberta who go over. Some interest has been shown in southern Alberta for a food processing group from southern Alberta perhaps going to the Hong Kong area. If the minister would be receptive at all to that type of overture being put together with, say, the chamber of commerce, would his office be prepared to participate in assisting those people to go to Hong Kong?

Thanks very much.

MR. PLANCHE: Mr. Chairman, I'd like to make a couple of remarks before my colleague responds. First of all, I was remiss in not congratulating and offering our thanks on behalf of everyone for the job Herb Pickering has done. Because he was there, he's established an Alberta presence. He's proven beyond doubt that the potential for trade for Alberta is there. It's on the basis of his recommendations and hard work that we're proceeding. My thank you to Herb Pickering; I was remiss.

Some other interesting side comments might be important. There is a very high restaurant institutional demand for protein. Surprisingly enough, over half of it in Hong Kong is for beef. The other half is fish, lamb, and pork, which would run opposite to what you might think when you think of the eating habits of Pacific Rim people.

On the issue of China taking over Hong Kong, the sophisticated investor is a little concerned with it. But commerce seems to go on there. The perspective is that if you can't leave Hong Kong in any event, why worry about who owns it as long as commerce continues? That's reflected in the land values. You indicated some waterfront land on the Hong Kong side is selling for about \$6,500 Canadian a square foot, which makes it about 15 times as high as the highest in Alberta. They're not particularly concerned when we talk about \$400 a square foot for downtown property here, or \$3,000 an acre for agricultural soil. The numbers are just not meaningful to them.

On the issue of trade balance, we take the view that over time you can build your trade relationships, but the impact for a trade balance for made-in-Canada interest rates would have to come from something that was substantial and sudden. We think that that naturally would be natural gas and hydro. With federal permission, those two things could offset the necessity of tracking U.S. rates, in combination with some other issues.

I wanted to make those comments. There is no question that as traders from Alberta, we'd be very welcome there. I think Alberta beef could be sold there. It will be our intention to follow that and determine precisely whether it can be sold. I'm of the view that it can be.

MR. SCHMID: Mr. Chairman, I would just add to the comments of my colleague and say to the Leader of the Opposition that, for instance, take the activities that have been generated on our trade missions, of people then coming here to look at the kind of facilities and equipment and expertise in technology that we have. Last week we had the ambassador of Peru here to prepare us for a mission going to Peru. We hope to have at least 10 Alberta companies, some of them very small, to show the capacity and potential they have. I am reminded that we had one company along to Indonesia last year. When he showed the pictures of his testing bench, as he called it — it was a table; there were about 10 tools on it — I was just a little embarrassed. But the son of a gun did in fact make a sale. These are the kinds of things that really make you appreciate what kind of capacity we have in Alberta.

I should also mention that today at lunch, I had the ambassador of Pakistan to prepare a visit next week of the Pakistan minister of energy. Tonight at 6 o'clock, I'm meeting with a Yugoslavian delegation which is here as a result of our mission to Yugoslavia, again to look at our technology to see what we can do, in this case as a joint venture in a third country.

Mr. Chairman, anyone along on a mission like this would be very, very proud because of the potential we have in Alberta. For instance, I understand that an Alberta company developed a type of electromagnetic brake for drilling rigs which outlasts all the others by 10 years. These are the kinds of things we are involved in. One of our Alberta companies developed an acid you can hold in the palm of your hand, which is used in other countries to stimulate their wells and improve enhanced recovery of their oil. I could go on, Mr. Chairman.

I hope the Leader of the Opposition takes a week or two sometime and comes along on a mission. Then he will have a letter like this one. An engineering company says they really appreciate us coming along with them, because they have successfully concluded a sale. In one country where I didn't expect anything — I thought maybe it was a good courtesy visit — one engineering company alone is now negotiating \$32 million worth of contracts. Another manufacturing company is saying that as for the benefits of the mission — I'm at present quoting on the following: number one quote, \$88,000; number two quote, \$702,000; and number three quote, \$4 million. These are the kinds of companies we have in Alberta, and every member of this Assembly should be very proud of the technological capacities we have in this province.

MR. CHAIRMAN: The hon. Member for Edmonton Kingsway wants to ask a supplementary question.

DR. PAPROSKI: Mr. Chairman, following up on the Hong Kong office, I too would just like to lay on the table that I'd like to compliment the Executive Council for the selection of Mr. Fred Peacock. We know his ability, capability, solid personality, and expertise will contribute to this particular activity. If it can be done, it will be done as a result of a person like that. There's no question about that.

Mr. Chairman, I'd like further clarification about the Hong Kong office. Is it targeted for China activity only, or is it other countries excluding or including Japan? I hope the ministers would take from this committee — I hope they would support this — that that office should be adequately staffed, not only in quantity but generous in staffing and expertise, in view of the vast market we know is available in that Pacific Rim area. I'm saying this from the committee. I know the committee would not object to a generous staffing of that office in view of the vast market. I'd like to hear whether that office is targeted for China.

I didn't hear from the Minister of State for Economic Development — International Trade what a company in Alberta does to get involved in these missions. Do they communicate with the department? How do they find out whether their particular goods are needed in another country?

MR. SCHMID: Mr. Chairman, first of all I should mention that naturally the office in Hong Kong is responsible for the vast area of the Pacific Rim. In fact, the office in Tokyo will report to the Agent General situated in Hong Kong. The work that can be done with the People's Republic of China in the years to come, because it's a rather long-term project, will be such that one company alone, which has worked on a contract now for quite some time, is involved in thinking about \$600 million in sales right now, just in one item to be manufactured here in Alberta. Another company is involved in several hundred million dollars in negotiations. So, while we will have a long-term effect with that country, we still of course have our Agent General in Hong Kong keep in touch with the People's Republic, because they're the ones who will need a very substantial amount of equipment in the future to exploit their natural resources.

How does a company come along on trade missions? First of all, we get requests from companies in Alberta to come along. We have a list of companies which manufacture specific items we have. It's called BOSS, a computer giving us those names and addresses. We then write and ask if they're interested in coming along. Sometimes companies need coaxing. Sometimes they're happy to be along, especially if it's a promising mission like the one to Peru will be, hopefully. There the government, including the president, has invited us to come. That's one example.

Again I have to mention the federal government in this instance. In some cases, not only have we been supported by some programs of the federal government because of the success of our missions, but I also have to add that our colleague in Ottawa, the Hon. Ed Lumley, has always done his best to make sure that wherever we have gone, whatever requests we have made of him personally have been fulfilled or granted to make sure Canada and the presence we have in other countries is successful.

DR. PAPROSKI: Mr. Chairman, to be sure there's no misunderstanding of what I said previously about the federal government, I want it clear for the record that I did not want to indicate that the government of Canada is not assisting us in any way. I wanted to indicate clearly that this province, with its activities and thrusts, in addition to the federal government assisting, is doing one heck of a job.

MRS. CRIPPS: Mr. Chairman, on behalf of my constituents and Albertans, I'd like to commend both the Minister of Economic Development and the Minister of State

for Economic Development — International Trade for the excellent job they're doing promoting Alberta and Alberta products.

I'd like an expansion on what high technology means, and why there's a decrease by 100 per cent in that area in the budget. I'd also like to ask what we're doing to promote Alberta boxed beef in Europe and the Pacific Rim. At least on our mission to Europe, we found no effective presence of Alberta beef. It looked like there was unlimited opportunity for promotion for us in that area.

MR. SCHMID: Mr. Chairman, on the beef question, we had to negotiate an agreement with the United States under the GATT negotiations, that the 10,000 tons of additional quota granted was also partly Canada's. That having been done, we found there were certain restrictions for exporting beef; for instance, from Canada to Germany. An example is that in the washroom, the toilet had to be separate from the hand washing facilities. Right now, Safeway and another company in Calgary are negotiating with the European Common Market about exporting Alberta boxed beef to Europe. Hopefully it will come out successfully.

As far as the promotion and sale of boxed beef quotas are concerned, it is really the jurisdiction of the Minister of Agriculture. The reason we know about it is because we are being asked about Alberta beef ourselves when we go overseas. But I think the question could be more properly put to my colleague, who I'm sure will have his staff, who are doing an excellent job in that area, answer that. I just happen to be aware today that, through his department, we are participating in a beef promotion program in Hawaii. Thus I could go on.

I think my colleague would want to answer the high-technology item raised by my colleague from Drayton Valley.

MR. PLANCHE: High technology is really a difficult kind of concept to get a handle on. In a nutshell, the difficulty is money. Most of the people who have a high-technology background, meaning a leading edge into some kind of new product line or new industry, are wooed around the world by large, capital forgivable grants, forgiving of taxation, or a variety of other things: free buildings, free land, or what have you. We've never taken that tack here, simply because we believe that things that locate here should be here because they have a natural advantage in the longer term. If we're going to develop that industry, the difficulty we face is that we need to be competitive. We talked about going down to Silicon Valley or to Ottawa and enticing a whole company or sector to move here. But finally, you end up with "me too" technology and you don't have the critical mass they can live in. So we decided we would build it. It's to that end that we are interested in the Heritage Savings Trust Fund medical research grants, the enormous expansion of the Alberta Research Council, the upgrading of our universities, the Vegreville lab, and AOSTRA. That's one reason we've done a study on the MARIA project. All those things tend to have an environment within which high technology can grow, because indigenous PhD-level people can seek and get employment in those areas.

The unfortunate part is that while we're developing a longer term strategy, we're going to lose some infant companies springing up in Alberta, because they can't get funding through any of the traditional sources, nor do we have a program in place. I guess it's partly a subjective

assessment as to whether "A" is valid and "B" is not. But in any event, over the next short time, we intend to beard that lion and select three, four, or however many we think justify some help, and structure some imaginative financing so that they can survive.

In the longer term, we need to have a venture capital or merchant banking system here, so that money can be put out to these people in such a way that they cannot have any commitments for a period of time while their fledgling industry reaches maturity and can service debt or repay grants. That's not to say there isn't a venture-funding presence in the private sector. There is. Generally, though, it comes from people who have made a lot of money in either land speculation or oil and gas. They tend to gravitate towards those areas rather than these higher risk, highly technical things in biochemistry, physics, and so on.

Through the Chairman to the member, if you're looking at Vote 2, that \$200,000 under High Technology is a loan to Chembiomed, which is doing some synthesis in blood, and one thing or another, at the University of Alberta, and is simply without the capacity to service debt or borrow money. The purpose of that is a bridging until we get something in place that this Assembly will approve of, both philosophically and pragmatically. I hope that answers the question on high technology.

DR. CARTER: Mr. Chairman, three points to the Minister of Economic Development. One of the programs the minister put in place last year was with respect to film and development. Might we have a few comments with respect to progress made, and what some of the future thinking might be with respect to that area. A second issue which a number of us are concerned about is the development of high-speed rail service between Edmonton and Calgary. I know that the Minister of Economic Development has been involved in that to some degree, but I assume that the Department of Transportation would also be involved. Would the minister be good enough to delineate the overlapping responsibilities and challenges, how that long-range planning is being taken in hand, and if there is any hope for that kind of service in the relatively near future.

Mr. Chairman, through you to the Minister of Economic Development, the third point has been touched on just briefly. Might we have some further elaboration with respect to the potential spinoffs in terms of secondary and tertiary manufacturing in medical service areas, probably with respect to medical supply items, or even the possibility for pharmacology?

MR. PLANCHE: The film development corporation is in place, and the directors have been appointed. It will be officing out of Banff. Their funding is in place. I think the department is preparing a draft set of by-laws for them to sit in judgment on. Following that, they will select the remainder of an advisory council, which will advise them in a technical way on the merits of presentations. In effect it's under way. It's an exciting concept, because it really takes care of the highest risk areas I described before, from concept to a saleable package. At that stage, of course, the government will be paid out, and we will no longer carry any interest in that particular film. Again, pay-TV opens up a new vista for opportunity. So a year after the film development concept was approved, I am delighted, and think we are on the right track. Certainly the feedback from the industry indicates that.

High-speed rail actually falls under Economic Devel-

opment rather than Transportation. Transportation has the myriad of immediate problems revolving around the movement of goods, services, and people in the province, whereas our mandate is to take a little longer view. The reason we looked at that was that our judgment is over time. If the communities of Edmonton and Calgary should grow to a million apiece, it's unlikely that jet travel will be economical or practical, so it was decided to have a look at rail as an alternative to road. The idea is not new. My predecessor had looked at it and discarded it because of the enormous cost of two-level intersections. We picked up the concept again and looked at it, using the right of way and trying to use the two-level intersections that are in place. It's an interesting concept, because the right of way from Calgary to Edmonton is partly acceptable. Part of the way the turns are too sharp for the speeds we envisage. To make it a practical carrier that would attract ridership, it needs to be downtown in less than two hours.

[Mr. Purdy in the Chair]

The department has done an enormous amount of work on this. The faster the train goes, the more expensive it is. And the more expensive it is, the more riders you need to make it pay. So in order to come to rest with what kind of train you want, you have to know what your ridership is going to be in about 1990.

As a province we are also going to have to come to grips with the issue of whether or not the public should be expected to service through fares both fixed and variable costs of a system. They don't do it for roads, for air, or for water, but they're expected to do it for rail. Rail, after all, is the key to moving the commodities we sell: grain, sulphur, and everything else. As shippers, we're consistently expected to pay for the fixed and variable costs. So the decision as to whether or not you would have to amortize both fixed and variable costs of a high-speed rail system, again would indicate what kind of system you might expect to have.

Just briefly in passing, trains are now running 500 kilometres an hour on test tracks; that's a magnetic levitation outfit that the Japanese railroad has designed. In fare box service, the one from Paris to Lyon is running something in the order of 300 kilometres, I think. So it's now technically feasible to get from downtown to downtown in under two hours. There's a lot of work to do, and our studies so far are very preliminary.

The third issue, secondary and tertiary manufacturing and spinoffs, where we're going, and so on: we're going to have a medical products show in Alberta in 1983, which will be international in scope. Planning for that is now under way. We hope that not only the displays but the lectures will attract people from all over the world. That should be coincidental with some advances in our physical hospitals, our hospital of excellence over here. It should be at a more advanced stage for our Heritage Savings Trust Fund medical research planning.

Secondly, the issue I described before, funding, is going to continue to be the impediment, because you have to have patient funding for high technology. There just isn't any way around it, not only from a practical point of view of the ability of the company with cash flows to site them here, but competitively. So it remains, and venture funding will have to come before that happens.

On the issue of pharmaceuticals, the federal law is such that pharmaceuticals for humans don't get enough protection that they can recover their costs of developing

products in Canada, so they've moved out. We have two options: either we can change the laws, which we are trying to do; or we can concentrate on radiopharmaceuticals, which is like MARIA, or veterinary pharmaceuticals, which would be like Cutter, Connaught, or some of those. We're looking at all of them, but we would really have a preference, because we have a natural advantage in developing human pharmaceuticals. There is some indication that the federal government is hearing us, and that a response to our plea may be on the way. It would be a very important breakthrough for us to have that opportunity.

MR. BORSTAD: Mr. Chairman, I think my questions are more on Vote 2. But everybody else has spoken on this vote, so I might as well get mine in on this too.

Because of the economic conditions in the province, particularly in the north, and presuming there are markets for methanol, is there any opportunity to speed up those methanol plants so that some jobs are created? On another subject, I was wondering if you might comment if there has been any consideration for those areas not presently served by rail or grain elevators, in particular Worsley, La Crete, and Valleyview. What is being done? Also, while you're commenting, you might give us an update on the Prince Rupert terminal, and where it stands today.

MR. PLANCHE: I'll start with the methanol plants. We've never made it a practice to positively site. By that, I mean that when somebody comes looking for an industrial development permit, we don't tell them where they go; we tell them where they can't go. With that kind of posture, we've tried to move them away from the heavily populated centres, and are having some success in that regard. You can't hurry a methanol plant, because it's private money. Those people who put in \$200 million, \$300 million, \$400 million, or \$500 million know their own timing and markets. If this coal/methanol concept should prove to be an economic reality, it would quickly follow that methanol plants would be located. Methanol is used for a fuel extender and as a petrochemical. In terms of a market, many of the people who are manufacturing one aren't looking for the other. Our judgment is that the methanol future is very bright, particularly as a fuel in conjunction with steam coal.

As far as the north and the northwest are concerned, in terms of petrochemicals, right now two companies are looking in an advanced preliminary way at fertilizer manufacturing in the area. But the problem with that is that you'd mostly have to use what you produced in the area; the economics of trucking out are not great. But we have two positive initiatives there that we're looking forward to. That's really the best I can tell you, because everything else I have is in commercial confidence.

I want to comment a little on the off-track elevators. We've done considerable work on that issue. The federal government and the Canadian Wheat Board have so far declined to take what we consider to be their responsibility. There is no question that the thing is needed. We think the economics on the whole issue would change dramatically if the Crow rate could be settled, and we look forward to that happening. In the meantime, we would see some kind of operation where one or the other level of government, or both, would build a facility and lease it in such a way that it would be economic for one of the grain companies to bid on its operation. They could then sell product. That would give them profit as

well as the throughput cost.

On the issue of Rupert, three things are happening there concurrently. I was there a couple of weeks ago. The first one is the grain elevator. A site is being cleared, and the construction schedule, as we envisaged it last year, is on target. We're coming up to the "go, no go" date for the consortia members. The bids came in fairly high; I think about \$70 million more than we anticipated. We think there's probably room for that to come down in the order of \$20 million to \$30 million. We have a determination that the elevator will be built.

A second thing going on there is a coal terminal. There is no work on it yet, although it will have a common infrastructure in terms of rail and one thing and another, and that of course is rapidly coming into place. A third one is a liquid petrochemical port that will be a combination of the National Harbours Board, maybe B.C. Resources, and the Alberta government, [who] will see to it that the lessee is properly selected, and that the timing is such that our product will be able to be shipped at the same time it's ready at this end to be shipped. I say it may be the BCDC because there are two sites, and a committee the department is working on to select either site has not yet come to a judgment. That committee is the BCDC, this government, the National Harbours Board, CNR, and all the liquid petrochemical shippers, and the judgment is imminent.

MR. BORSTAD: Just one further question, Mr. Chairman. When you talk about the coal terminal at Prince Rupert, will that be built in conjunction with B.C.? I take it that all the coal out of Tumbler Ridge will go through that port. Are our coal shipments going to be part of that, or is that strictly for Tumbler Ridge?

MR. PLANCHE: The remarks I make, Mr. Chairman, are more of an impression than anything else. My judgment is that the facility will be built by the National Harbours Board and a company called Fednav of Montreal. Fednav will be the manager and the technical part of it. I understand they're putting up 10 per cent of the equity for 30 per cent of the profit. The rest will be done by the federal government. It's designed primarily for the Teck, Denison coal from northeast B.C. At this time, I don't know whether there's going to be additional capacity for Alberta coal through that terminal. But in any event, it does release terminal space in the port of Vancouver, and later at Roberts Bank, that would have been taken by B.C. coal.

DR. PAPROSKI: Mr. Chairman, just very briefly. I think the hon. ministers will be happy to know these will be my final questions.

Since taking part in developing the Bill to support the film industry — I know the hon. minister has commented already, but I'd like further clarification. Have there been applicants or takers for this very important support and industry that we could develop, and are they primarily from Alberta or outside Alberta? If he has that information, fine; if he doesn't, I can get it another time.

I'd like an amplification of the policy to encourage investment of overseas risk capital. I want clarification whether overseas means Europe, Asia, the Middle East, or anywhere outside the North American continent. I want a brief comment to clarify the parameters of that particular objective, and any change or limitations since last year regarding that. What incentive, if any, do we provide for these risk-takers, in addition to the stable

economy, abundant energy, and political stability we have in this country?

MR. PLANCHE: On the issue of the film development corporation, there have been applicants. I don't have a precise list. There have been no takers because they're not quite ready for takers. There certainly have been Alberta applicants. I can get the figures for you. I don't think it's appropriate for me to tell you who the applicants are, but I can give you the province, nation-wide, or foreign, if it's of interest to you.

In terms of risk capital, we have remained consistent. Risk capital is welcome here, provided it's going to help upgrade our resources, it's going to come with a transfer of technology, and that it's going to bring needed capital for something important to be done here. We remain less fascinated as it gets into the purchase of buildings. Finally, of course, we have laws prohibiting the purchase of more than 20 acres of recreational or agricultural land without cabinet approval. So there's a full spectrum of enthusiasm.

Aside from the time we assumed PIP on behalf of the federal government, with a great deal of reluctance, we have never differentiated between nationalities for investment capital. I think our primary function is to assure people that we don't necessarily share the view of our federal government in terms of not wanting foreign capital; that we will assist them in any way we can to prepare and work their way through the FIRA difficulties involved in foreign capital; that we are positive about their presence here; and that we recognize pragmatically that over time there's going to be an enormous need for capital dollars that, if we're going to attain our maximum potential, certainly the Canadian investor can't supply.

MRS. FYFE: Mr. Chairman, while the minister commented earlier today on this subject, I'd like to ask him a specific question. I wonder if the minister can advise the committee if the Du Pont plant proposal within the MD of Sturgeon could be assured of an ethylene supply, even on an interim basis.

MR. PLANCHE: I'm trying to think my way through these questions. I think I could respond to that by saying that if the Du Pont project wants to come in on a take-or-pay for ethylene, that opportunity is available to them right now.

MRS. FYFE: Could the minister expand that answer a little further? I didn't quite understand what he meant by his words.

MR. PLANCHE: People who are building plants to manufacture ethylene, need to have sales contracts in order to finance their plants. It isn't good enough that everybody says yes, we'd like ethylene, but we're not sure when, and we don't know how much, and so forth. The take-or-pay means that you sign for a certain quantity of ethylene at a certain date, and you either take it or pay for it as if you were taking it. That opportunity is now available to Du Pont.

MRS. FYFE: A further question, Mr. Chairman. I was just wondering if this was a recent change. That was not my understanding of the situation several months ago. Has the situation changed the requirements or the method by which ethylene can be obtained by companies such as Du Pont?

MR. PLANCHE: Mr. Chairman, we never had a concluding proposal for the disposition of ethylene from the third plant. My recollection is that we had only been through the second plant and had approved the contracts that Alberta Gas Ethylene Company Limited wanted to make, and that the third plant had not yet been done. That's part of the negotiation the companies are now doing. It was never the position of this government to dictate whom they should do business with. We were anxious to see that in the event that imbalance between supply and demand in ethylene remained, it was sold in such a way as to maximize the benefit to Alberta.

Agreed to:

14 — International Trade	\$5,045,200
Total Vote 1 — Economic Development and International Trade	\$18,562,300

Vote 2 — Financing — Economic Development Projects:

2.1 — Railroad Relocation	\$334,000
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MR. GOGO: Mr. Chairman, I wanted to ask the minister with regard to the Lethbridge project, recognizing it's the first in the province — I'm sorry; this is on page 44 of the elements book.

I appreciate that the marketing agency has been formed between the city of Lethbridge and his department, that people will be selling that land and, in turn, money will be coming back and so on. Without holding up the committee, I wonder if the minister could bring us up to date with regard to the specific project of Lethbridge. Has the CPR moved the new marshalling yards west to Macleod, and that sort of thing?

MR. MAGEE: Mr. Chairman, because of my concern for the movement of the railroad yards at Red Deer, I also would like to ask the minister a question on the Lethbridge project under 2.1.1. I'm very interested that the Member for Lethbridge West has asked this question, but I would like to go a little further in asking for detail along the line of what's proposed to be the city's share. In the final analysis, when the project is completed, would there be any government assistance, and what proportion to the total project could be expected when the land is finally sold and so on? In short, it's a very expensive proposition for a city to get involved with, and I'd be interested in the minister's elaborating on the details to a greater degree.

MR. PLANCHE: Mr. Chairman, while I'd like to beat the drum for Lethbridge, in fact it's the second one. The first one was in Grande Prairie. However, as it ended up, Lethbridge will pretty well serve as a prototype for future ones. It's ahead of schedule, and that's why this budget item is here. But I don't have a recent update as to where the whole thing is physically, so I'd have to defer that answer and get back to you. I think I will be in Lethbridge next week, and it will be my business to have a look.

On the issue of how we do it, the provincial government is approached by one of the cities, other than Calgary and Edmonton, and they put forward a proposal to relocate the downtown trackage. We offer to do a study to find out whether the change of site of the track will increase the value of land for sale in such a way that the whole project can be self-debt in capital servicing. Having established that fact, and the city wants to go

ahead with it, they then have to go to the ratepayers, I think, for 40 per cent of the total cost of the contract. I think we contributed 60 per cent in the case of Lethbridge. We also undertake to negotiate, on behalf of the city, with the railroad to be certain that the full muscle of the Alberta government is put behind the project for the city.

As the land is sold, it's returned to a consortium or joint venture and then distributed back to the players in the proportion they put money in, until the province has recovered all its money. Then, as I recall, the balance of that money flows back to the municipality. It wasn't negotiated in such a way that the province was the net benefactor; it was done in such a way that the province could facilitate the ambitions of the city, and that atmosphere was always forefront as we negotiated.

MR. MAGEE: Mr. Chairman, another question to the minister. As far as the government is concerned, does interest accrue to the debt when the money is paid back as the land is sold? In other words, does the city look forward to having an ever-increasing reduction over 20 years, shall we say, because of the debt load in interest, or not?

MR. PLANCHE: As I recall in the Lethbridge one, we are just interested in recovering our input capital.

Agreed to:

2.1 — Railway Relocation	\$334,000
2.2 — Grain Handling/Storage Facilities	\$31,600,000

MR. FJORDBOTTEN: Mr. Chairman, I'd just like the minister to expand on this, if that covers the inland terminals, and his responsibility at that end.

MR. PLANCHE: No, Mr. Chairman. These figures are strictly related to our commitment to the Prince Rupert elevator.

While I'm on my feet, I can answer the question of the Member for Lethbridge West. The new yard at Kipp is graded and ready for ties and rail. The support buildings — boy, this guy's writing is just awful. I can't help you with the second one. It looks like it's under way. The third one is: December '83, projects scheduled for completion. That's about where we figured it would be: concluded on schedule.

Agreed to:

Total Vote 2 — Financing — Economic Development Projects	\$31,934,000
Department Total	\$50,496,300

MR. PLANCHE: Mr. Chairman, I move that the votes be reported.

[Motion carried]

Department of the Attorney General

MR. DEPUTY CHAIRMAN: Has the Attorney General any opening comments?

MR. CRAWFORD: Yes, Mr. Chairman. I think a number of things might be remarked upon at the present time. The past year has been a very active one. The

question will become whether or not we will look to similar activities in the upcoming year in some of the areas, in legal services in particular. By way of overview, I would like to begin by noting for hon. members that there are nine votes in the department and each one is of some importance, involving, as some of the votes do, some of the boards and agencies which are important in specific areas of operation by the Department of the Attorney General.

Almost all the funding for the department is in the areas of manpower, and supplies and services. Members will have noted that out of approximately \$100 million, some \$90 million is committed in that way. The area of grants involves about \$8 million, and only just over \$1 million is involved in the purchase of assets in this particular year. The largest manpower changes are in court operations in the Land Titles Office, and in the central registry. These are all reflective of the considerable increase in activity in the courts and in the registry systems in the province. I had occasion previously to remark upon that, and the evidence there is, in the considerable number of transactions processed in Land Titles and the central registry, reflective as it is of economic activity in the province. This has persisted over a number of years. It has particularly quickened in the last three or four.

Mr. Chairman, I would like to spend just a few moments on specific votes before considering matters of detail. We have the very considerable involvement of the department in the constitutional issues of the last year. Members will recall that the decision of the Supreme Court came down in September and, just prior to that, we were very much involved in the challenge that began with six provinces and later became eight, that took to the courts in three provinces the very essential questions which brought about the reference and, in due course, the judgment of the Supreme Court on those matters. I mention that now, even though it's some time, not quite a year, since the actual case was argued, because I think it is quite proper that the question come up as to whether or not we expect similar types of activity in the legal counsel areas, and in the need we will have to try major cases in the constitutional area in upcoming months.

The Canadian constitution will shortly be the law of the land and, as part of that, the Charter of Rights. I thought I should just indicate that we have begun an assessment of what that means. In fact, we're well advanced in an assessment of what that means, in regard to provincial policies. In particular, we have looked at the Charter of Rights and developed legal opinions on whether or not the Bill of Rights of the province of Alberta and the Individual's Rights Protection Act of the province of Alberta require any specific consideration or change in light of the charter. The answer is that they do not, and the legal opinion we have is that the Bill of Rights and the Individual's Rights Protection Act retain their status as valid and binding legislation of the province, undisturbed by any provisions of the Charter of Rights.

An ongoing legal assessment is also being made in regard to what, if any, statutes of the province might be further looked at in light of the Charter of Rights. Preliminary investigations are that the other general content of statutes of the province does not require change on that account. I mention that because it has been of interest over the past number of years to be sure that legislation enacted in the Assembly accords with our own Bill of Rights. Throughout, we have had there the notwithstanding clause which, as I recall, was used on one

occasion. We were later advised it was not required, and it was withdrawn in a subsequent handling of that particular legislation.

I would hazard the opinion that we will find it's very much the situation in regard to future legislation of the province as it relates to the Charter of Rights. In other words, outside of the normal desire to enact legislation which does accord with basic human rights, no special attention or application will have to be given to changing what would be the normal course of enacting legislation in the general body of the law of the province, based on the new constitution. The result is that the position of the provinces is preserved, and that the Legislature of the province — and this should be emphasized, because I think it's of vital importance — remains supreme in the areas of its jurisdiction.

Mr. Chairman, I raise these issues not so much to debate them but to say that we have, of course, paid attention to the prudent requirements of doing the necessary legal approaches and work ups of the opinions we will require in respect to those matters.

[Mr. Appleby in the Chair]

There are a number of areas, of course, where members may want to raise questions in regard to the administration of justice in the province. Suffice it to say, for the time being, that the commitment that the Attorney General's Department has in regard to the administration of justice is to see the work of the department in the prosecutorial role done as effectively and efficiently as might be. That is so important because it has to do with the upholding of the laws of the province, and their due prosecution are matters which are in the public interest.

The concerns that I know some members always retain — that is, whether or not vigorous enough enforcement of the law is occurring, whether or not the courts are making the right type of sentence or imposing sufficiently strong sentences in order to have a deterrent effect in certain cases — are the sorts of things that come up and, I think, will continue to come up. Of course we have a policy in that regard, and that is understanding that each case depends upon its own facts. Sometimes an individual case may have certain weaknesses where we are not enabled to press it as much as we would like. In cases where it can be done, appeals are taken where the view is that a penalty imposed by a court has been short of what might have been in the public interest. We do have numbers of cases which have gone to appeal where the Court of Appeal has varied a sentence, and that becomes the new bench mark for the lower courts. They then follow such direction as the Court of Appeal might give.

I think it's important that we review those cases. We recognize the concern that people have about the whole question of whether enforcement is as strong as it should be. We do give it a lot of attention. It's always an area where I'm sure there will continue to be debate and disagreement as to how well it's working out. But that's of the essence in any matter which can be debated, or about which different opinions can be held. I say only that the policy is that vigorous enforcement of the law is appropriate. It's needed, it's in the public interest, it's wanted by the people, and our policy is to do so.

Mr. Chairman, a few other areas of importance. This year we're significantly increasing the amount available for legal aid. That's important because numbers of people are helped by legal aid which, as hon. members know, is a program where the costs are shared with the federal

government and, in part, shared with the income of the plan. The plan has its own income in that, where possible, collections are recovered from people who have received free legal aid, and become part of the income of the program. Admittedly, there would not be recovery in all cases. If there were, it would probably be evidence that legal aid, as such, perhaps wasn't needed. We think it is needed. It enables a person who is able to pay back over a period of time, to do so, whereas he could not otherwise have handled the service that may be required at a particular time. But I mentioned that there are a large number of cases where no recovery is made, and the plan provides legal aid at no cost to the person.

If there is a charge and an offence where the person could be jailed, then the policy of the Legal Aid Society is to take on those cases and be sure that a person would not unnecessarily have their liberty at risk for want of legal counsel. So that's the first order of priority: legal aid is provided in cases where a person's liberty might be endangered.

In the civil side, our policy is to try to restrain the amount of involvement clearly. Legal aid is involved in matrimonial cases. There's a fairly brisk divorce practice tied to legal aid. Once again, it appears to be an area where there is need. But I have tried to discourage — and so has our Law Society and our board of the legal aid plan — extensive involvement in many other areas of civil law suits. Again, I think that is an exercise of good judgment because I, for one, don't believe that legal aid should be universally available for all purposes. It should be something that is tied to need.

The only other item I mention in respect to it is that there had been a surplus in the plan for a couple or three years. It was always accounted for. But it enabled the increases to be a little less in the last year or so. A somewhat larger increase this year is reflective of the fact that the surplus no longer exists. Once again, that's a reflection of the very high degree of activity in legal suits.

Maybe just a couple of other items, Mr. Chairman, before seeing what questions might interest hon. members. Appropriation No. 6 happens to be for fatality inquiries. I continue to hold the view that this is a very important area of operation for the Attorney General's Department. It is not free from difficulty. The work done under the Fatality Inquiries Act is never easy. Under our present structure, which has superseded the former coroner's arrangements, I do believe we are doing as good work as is done anywhere in Canada in the inquiry into deaths which are unexplained or otherwise should be the subject of an inquiry.

This year's legislation program brings some changes to the Criminal Injuries Compensation Act, and that brings me to the modest increase this year under crimes compensation. I think it's entirely justified. The board, which has been in place now for I would think some 15 years, has continued to work well and does make relatively modest awards to people who have been victims of crimes. It is as it should be, that the public purse bear some responsibility for injuries to people in that way. Without discussing the specific legislation having to do with the changes involving innocent bystanders, I think that is an important area. I'm pleased that once that legislation is passed, the board will be able to begin giving awards in such cases.

Mr. Chairman, the Institute of Law Research and Reform is an important agency in the province of Alberta, and is funded to the extent of nearly \$300,000 by the people of Alberta through these appropriations. They

produce reports on matters of topical interest, which have led to quite a lot of legislation in the province over the years. That, in addition to the crimes compensation and the legal aid items, very substantially makes up the largest amounts paid by way of grants in the department.

We also have the Public Utilities Board, basically an independent, quasi-judicial agency, having the responsibility to regulate, as all members know, many areas of utility practice within the province. The budget involved there this year does not reflect changes other than normal increases in the cost of operation.

Finally, I believe the gaming control and licensing area is important, Mr. Chairman. Our interest and concern has been that this be an area where government policy serves people in the volunteer commitments they would like to be able to make in their various communities. Just over a year ago, the change from the Attorney General's gaming branch type of approach, to licensing by means of a gaming commission, was very important. We're just getting the first full year of operation of the commission behind us.

I would like to indicate to members that I think the government was very well aware that a lot of people — volunteers working in various areas in the province — were concerned that the previously existing rules did not enable them to do the type of volunteer fund raising they would want to do, and that they felt they should be able to do, under the existing laws of the land. The government, and in particular a caucus working committee, took that very much to heart and took an interest in the subject. The changes made, flowed from that. They really had only one objective: to make it easier for people to do with less red tape the charitable works they would like to undertake, as a result of the licensing they might receive for certain gaming events. I mention it now in that recent context because it's implicit in having brought in the Gaming Commission, that there was recognition that the previous system did not work totally well. In fact, I've said there's been much dissatisfaction with it.

My hope would be that members of the Assembly and all parties would continue to work together in this area and draw to the attention of the government concerns that the system, even as revised, may fall short of what had been hoped for. In any event, I know that some members of the government caucus have been able to draw to my attention some areas where the commission policies have perhaps not yet been fully evolved. Some of the criticisms that existed before, tend to persist. Quite seriously, I think it's worth continuing to work at it, and trying to see if those can't be resolved, so that in the final analysis the greatest ease with which volunteer workers can undertake their commitments in the charitable sense, can be accommodated.

Once again, the gaming control and licensing area is a budgetary matter, as distinct from the policy I've just been discussing. It's not a large matter; the only changes are based on normal increases in operating costs.

Mr. Chairman, with those remarks, I look forward to the questions and discussion with regard to the matters hon. members might like to raise.

MR. CHAIRMAN: The hon. Member for Edmonton Kingsway, followed by the hon. Member for Lethbridge West.

DR. PAPROSKI: Thank you, Mr. Chairman. I wasn't expecting that so soon.

I would like to make a few comments and ask the

Attorney General to clarify one specific area that has been brought to my attention by some constituents; that is, regarding divorce proceedings, which as we know are not an uncommon event in our society nowadays, unfortunately or fortunately as the case may be. But it's very common. It's unfortunate in all cases for the children. The question is regarding the assistance to children regarding joint custody after a divorce is granted, or prior to the time the divorce is granted.

I believe, and I'm subject to being corrected, that the Attorney General's Department has a segment that provides a lawyer to evaluate the concerns of children. I believe it's called friends of the court. There's a Latin term I won't use, because most members may not be conversant with that. I understand that evaluation occurs from time to time. In view of the increase in divorces occurring in our society, would the minister indicate whether the intention is to increase staffing in the area of joint custody of children, recognizing that that evaluation is so important in that the children should know their rights. The concerns should be explained to them, and whether they have to or do not have to live with one parent or the other.

I've heard that the job done in that area is excellent. It should be clear that there is no criticism here at all. I've also heard that an augmentation of staffing may be desirable. If augmentation of staffing is not done within the department *per se*, then maybe the Attorney General would indicate whether he's intending to appoint members of the law society who would work for the department, at no charge to the couples involved, and the children in particular.

MR. KESLER: Mr. Chairman, I'm interested in the Attorney General's remarks concerning the constitution: the safeguards, rights, and guarantees that entails for Albertans. I wonder if the hon. Attorney General was hoping that the federal government has more respect for the spirit of the constitution than it has had for the spirit of the national energy program we hear so much about. Again, I find vagueness in the constitution that I find somewhat hard to justify. I'm sure the hon. Attorney General knows more about law than I do.

On page 4, it talks about "time of real or apprehended war". In those cases, it's not necessary. For

a House of Commons may be continued by Parliament and a legislative assembly may be continued by the legislature beyond five years . . .

I'm wondering how much more than five years, and I'm wondering what constitutes apprehension.

On page 5, we have another interesting situation where we have absolutely no guarantee of a prompt trial; part of the old BNA Act, but there's no guarantee there of a prompt trial. It talks about our legal rights; it's not there. We have

... the validity of ... detention determined by way of *habeous corpus* and [we may] be released if detention is not lawful.

As I state, no guarantee of a prompt trial is mentioned.

As we go through this fine document, we find the amending formula whereby it takes seven provinces with 50 per cent of the population in order to put those amendments into effect. I wonder where we've gained advantage, where we still have to have Ontario or Quebec involved in order to bring about those amendments. It appears to me they still have the veto power over the concerns and affairs of western provinces.

As we go a little further in this great work of art, we

see guarantees of natural resources: non-renewable resource section. It tells about all those resources being guaranteed except — another exception:

Nothing in subsection (2) derogates from the authority of Parliament to enact laws in relation to the matters referred to in that subsection and, where such a law of Parliament and a law of a province conflict, the law of Parliament prevails to the extent of that conflict.

That says to me that if the federal government decides it needs more power over our non-renewable resources, that in fact it can seize that power. That's what it says to me. If there's any conflict, they win again.

We have Section 26, that's often quoted as being the lifesaver of the constitution. I like the word "notwithstanding". I only wish that somebody would explain what notwithstanding means. It probably means a lot of things. Section 26 says:

The guarantee in this Charter of certain rights and freedoms shall not be construed as denying the existence of any other rights or freedoms that exist in Canada.

I think that's really nice. It gives us the protection we probably would like to have, until we get over to Section 52, part 7, and they wipe us out again. There it says:

The Constitution of Canada is the supreme law of Canada, and any law that is inconsistent with the provisions of the Constitution is to the extent of the inconsistency, of no force or effect.

I find it interesting that the hon. member and other hon. members of the government can expound the greatness and the safeguards of the constitution to Albertans, and stand and defend it so vehemently, when all the way through, one section gives and the other section takes away.

Somebody will have to explain to me what "notwithstanding" really means. It's kind of like "wherein", "wherewith", and "apprehended". Who decides what those terms mean? Does the hon. Attorney General of Alberta or his federal counterpart decide if in fact they decide to implement the emergency planning order in Canada. It will erode the guarantees of this constitution. That's my concern. Who then will guarantee the rights of Albertans? Who will guarantee the freedoms, the liberty, and the heritage of the people of this province?

I'm not standing here to be insolent. I'm standing here because I'm concerned. I hope that somewhere there are people who have the answers to these questions and can guarantee those things. I'm hoping the Attorney General can elaborate on those things and clarify them — not only to this Assembly, but to the people of Alberta — so that in fact they do know they have guaranteed rights, and that all the way through, one section doesn't negate another. I hope those answers will be forthcoming.

MR. CHAIRMAN: I regret having to interrupt the hon. member, but the time for the afternoon sitting has expired.

MR. CRAWFORD: Mr. Chairman, I would just say to the hon. member that if there are further remarks to be made, I'd be quite happy that he make them at 8 o'clock. Following that, I'd be very pleased to respond.

Because of the hour, Mr. Chairman, I move the committee rise, report progress, and ask leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that for the fiscal year ending March 31, 1983, sums not exceeding the following be granted to Her Majesty for the Department of Economic Development for the purposes indicated: \$18,562,300 for economic development and international trade, \$31,934,000 for financing — economic development projects.

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

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Although the time has expired, if hon. members would concur in my making the motion this way, I move that when members reassemble at 8 o'clock tonight, they be in Committee of Supply, and that after that time the committee report to the Assembly.

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

[The House recessed at 5:32 p.m.]

[The Committee of Supply met at 8 p.m.]

head: COMMITTEE OF SUPPLY

Department of the Attorney General (continued)

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Will the Committee of Supply please come to order. When we closed off proceedings this afternoon, I believe the Member for Lethbridge West wanted to make a comment.

MR. GOGO: Mr. Chairman, I think the Member for Edmonton Whitemud is about to speak directly to a point. I defer to him.

MR. KNAACK: Thank you very much, Mr. Chairman, for the opportunity to make these comments. I want to make a few comments in response to the points raised by the Member for Olds-Didsbury with respect to the constitution. It's a very important point, and a lot of confusion exists with respect to the interrelationship of the Constitution Act, 1982, and what now constitutes the Canadian constitution.

I might be permitted the indulgence to indicate that I'm not totally unfamiliar with the constitutional process, having taught constitutional law to second- and third-year law students at the University of Alberta for five

years. I understand it is a complex issue and not an easy one to understand, especially with a lot of "notwithstanding" and words of that kind involved. In fact the course is a full year and one of the very heavy courses at the university. The whole course more or less deals with what the British North America Act was and the cases relating thereto. It's easy to understand that some confusion exists now with the passage of the new Act. If I can, I just want to clarify some of the points that have been raised, both in the public and here in the House.

I want to make five points as follows: the interrelationship between the present Act, the Constitution Act, 1982, and the British North America Act. The confusion partly results from that being redefined as the Constitution Act, 1867, and amendments thereto. The second matter I wish to deal with is the new Canadian Charter of Rights and Freedoms and its impact on existing rights and freedoms in the province of Alberta. The third issue is the provision dealing with equalization and regional disparities and its impact on Alberta's control over property rights and other fundamental freedoms. The fourth issue is the amending formula, its impact on the province of Alberta. Fifthly, I'd like to deal with the provisions which amend Section 92 and include 92A in the constitution.

This document is headed The Canadian Constitution, 1981, and it's amended to now read The Canadian Constitution, 1982. People who are not familiar with the process think that the Act now being passed, the Constitution Act, 1982, is in fact the Canadian constitution. It is not. The Canadian constitution consists primarily of the British North America Act and its amendments, plus this last Bill passed by Great Britain in the last several days. That's where the confusion originates. Nothing in this Act, except the things I'll deal with, change the distribution of powers now set out in sections 91 and 92 of the British North America Act. I'd like to cite some of the most important elements of this. Section 92 of the British North America Act:

In each Province, the Legislature may exclusively make Laws in relation to matters coming within the classes of subject next herein-after enumerated; that is to say, —

It enumerates 16 headings, 13 being property and civil rights in the province and number 16 being "generally all Matters of a merely local or private Nature in the Province."

The important point to note here is that the province is given exclusive jurisdiction; it's not joint jurisdiction. It's the only one that has jurisdiction with respect to those matters. It's true that at the end of Section 91 it provides that anything in Section 91 is deemed to be taken out of Section 92. But that is not relevant to the discussion I'm presenting here this evening.

So what happens when this Constitution Act, 1982, is passed? What does it do to those fundamental rights the province now enjoys? I'll start addressing the issue by looking at the Charter of Rights. The Charter of Rights and Freedoms specifies certain rights and freedoms that all Canadians enjoy. They enjoy them now, and they always have. Great Britain doesn't have this provision; they enjoy them in Great Britain. Russia has these provisions; they don't enjoy them in Russia. Basically I'm saying that we've always enjoyed these rights. The Prime Minister believes that if you enshrine them in the constitution, they're more permanent than merely reflecting the attitude of Canadians and our history. Nevertheless the issue is: does this declaration of fundamental rights and freedoms in any way detract from the basic constitutional

powers the province is given in Section 92 of the BNA Act? It does not. If a province wants in any way to abrogate these rights — and I doubt whether the province of Alberta is inclined to do so, since its first piece of legislation was to enshrine these rights — there is a provision, being provision 33(1):

Parliament or the legislature of a province may expressly declare in an Act of Parliament or of the legislature, as the case may be, that the Act or a provision thereof shall operate notwithstanding a provision included in section 2 [which is the declaration] or sections 7 to 15 of this Charter . . .

As well, Section 31 provides:

Nothing in this Charter extends the legislative powers of any body or authority.

In other words, this charter in no way gives the federal government any additional powers it didn't have before.

The second matter I wish to deal with is the provisions dealing with equalization and regional disparities. Again the issue was raised: does this provision in any way take away rights of Albertans? Although in some sense old laws are difficult to read, this one is as clear as it can be. It's so clear, people don't believe what it says:

Without altering the legislative authority of Parliament or of the provincial legislatures, or the rights of any of them with respect to the exercise of their legislative authority, Parliament and the legislatures, together with the government of Canada and the provincial governments, are committed to

- (a) promoting equal opportunities for the well-being of Canadians;
- (b) furthering economic development to reduce disparity in opportunities; and
- (c) providing essential public services . . .

This is absolutely clear. It says: "Without altering the legislative authority" or the rights of exercising them. It in no way takes away any rights from Albertans or any other Canadian. It doesn't take any rights away from the legislatures for sure.

The next matter I wish to deal with is the amending formula. The amending formula again is very clear. It's the Alberta amending formula enshrined in our constitution. It basically says that no province shall lose any of its powers without the consent of that province. It's very clear that the federal government cannot unilaterally take away Alberta's powers — none of them. It cannot take away our property rights. It cannot take away our rights to our resources. Ontario, Quebec, and the federal government cannot gang up and take away these rights. No one can.

The last one raises the issue of resource ownership. Here the provinces have gained something rather than taking something away. It's an amendment to Section 92 which is not now in the Act. It says:

In each province, the legislature may exclusively make laws in relation to . . . exploration for non-renewable natural resources in the province . . .

It goes on and sets out some other areas where the provinces now have exclusive jurisdiction with respect to resource legislation. We already have the ownership. Those rights aren't derogated from. In addition to that, we now have additional legislative authority. 92A(2) and 93A(3) combined give another additional right. They have the effect of giving joint jurisdiction of the provinces and the federal government over exports of natural resources. That didn't exist before. Like agriculture, it's an additional right the provinces now have that they didn't have before. Section (4) again is an additional right. In

effect, it allows indirect taxation of resources produced in that province, which is not permitted under the existing constitution. This overrules the Cigol case against the province of Saskatchewan, which many of us are familiar with. It permits either a royalty or an indirect tax to be charged on resource production.

In conclusion, I would like to say categorically that this is a constitution where the provinces have given away no rights. This constitution in no way prejudices any property rights of any citizen in the province of Alberta. Because of some news comments, we in this Assembly and some outside have become defensive. Is there an error in this constitution? There is no error. We can be proud of what the province of Alberta has accomplished in this constitutional package. We have all the rights we had before and more.

MR. GOGO: Mr. Chairman, I want to put several questions to the Attorney General with regard to his estimates. First of all, he gave an overview of the 9 votes. I'd like to raise questions, rather than specific votes, perhaps similar to the way the Attorney General raised them.

The first point would be with reference to the administration of justice. I think the Attorney General is right on. Many times we as legislators are confused in the public eye with Members of Parliament, those who draft the Criminal Code. I can't think how often I've heard people say, the police do such a good job in terms of apprehension, but look what the judges do. We see so many instances. Just two weeks ago, someone took two lives and got three or four years. Someone else took \$3 million or \$4 million and got 10 years. The question then comes up: what price do you put on human life and so on? I can appreciate it's a very, very difficult one to answer. As the Attorney General pointed out, it's a matter of judgment in individual cases. However, I think members of the committee should be aware it's one that's on the minds of many, many citizens. Frankly I suppose they're entitled to an answer.

The Kirby report has been enacted, I think, pretty well across the board. Mr. Chairman, I'd like to say to the Attorney General how pleased I am with some of the provincial judges who have been appointed. A recent one is Judge Musk at Lethbridge. I think he was a Crown counsel. From all reports I've heard, he's just an excellent choice for a judge. I'd like to compliment the Attorney General, if indeed he was the one who appointed him. Across Alberta we're now getting provincial court judges who are younger than their predecessors, certainly not retired police people. They are well-qualified lawyers. Fortunately I guess we're able to pay them sufficiently in order to assume that responsibility.

Mr. Chairman, would the Attorney General care to comment with regard to legislation we passed last fall on the specified penalty question? To expedite the administration of justice through the courts, based on Kirby, we had the specified penalty where people did not have to appear. Apparently there was some abuse of that, because we passed the Bill in November giving authority to the peace officer to direct that. I wonder if the Attorney General has had any indication whether or not that has had an effect with regard to certain offences.

One point I think I've raised before that I feel very strongly about is that I understand that in Edmonton there are probably 25,000 outstanding warrants for people's arrests, mainly for traffic violations whereby they fail to show in response to a summons. Just thinking of the community of Lethbridge, we're at the point now

where we pay a very high price for law enforcement through policemen, yet how often is it that someone gets a summons as a result of a traffic ticket, fails to show, and a warrant is issued for his arrest? We then have these very high-priced policemen from the Solicitor General's Department, or certainly from his estimates, running around serving these warrants. I understand there are 25,000 or so here. Calgary has 20,000 and so on. How simple it would be if the Attorney General's Department, through our court system in Alberta, made a phone call the day prior to a person being required to appear with a summons saying, if you're not here tomorrow, a warrant will be issued for your arrest. I wonder how that would reduce the very high cost with regard to police services in our communities. I talked to the police chief in Lethbridge. He said it would be very significant. I wonder if the Attorney General would consider that, rather than having these outstanding warrants go on and on.

Mr. Chairman, I have a question about the justices of the peace. As I understand, we have about 1,000 around the province. They're very well-respected people in the community, or they wouldn't be appointed by O.C. When we start paying them \$1 for this or that service, I wonder if that in any way begins to compensate them for some of those weird hours when they have to sign search warrants and so on to assist police authorities, particularly as I understand those JPs who are appointed by our court system are paid overtime and stand-by time, whereas the other JPs throughout the province, certainly in rural areas, receive virtually . . . Well, I can imagine driving somewhere and being paid \$1 to execute a document. If the Attorney General would give some consideration to our justices of the peace getting some type of honorarium, \$50 or \$100 a month or something — I'm not saying they've complained to me. I'm simply saying that in my discussions with people, this has come up.

The Fatality Inquiries Act that the Attorney General made reference to is a modernization of the coroner system we had. However, I'm told that a simple thing like a spouse trying to get funds from a bank account without a death certificate is impossible. Those death certificates are not issued if a death has occurred under the parameters of the Fatality Inquiries Act. It could be one, two, or three months. Yet it's really impossible for bank account funds to be moved. That's a recent occurrence based on the legislation we passed. In fact it's being done now on the basis of a burial certificate, which frankly is not very legal. I wonder if there's some way that could be speeded up. I'm sure there is.

Mr. Chairman, the Gaming Commission comes under the Attorney General. I can't think of one thing that has done more to assist members of the Assembly in not becoming involved with this infernal business of licences we've all been through so often than the appointment of the Gaming Commission. That commission solves so many problems. If people have difficulty getting a licence for this or that, instead of plaguing the M.L.A., who quite frankly I don't think is in any position to judge . . . In the past he always seemed to have accepted their stories at face value or pushed the Attorney General to intervene. I think this Gaming Commission has been a godsend in terms of seeing that there's equity throughout the province and taking the pressure off members. I know one or two and certainly the chairman of that Gaming Commission. I think they're doing an outstanding job. I'd like to say that to the Attorney General, and perhaps it can be passed on.

The Attorney General made reference to legal aid. I

understand funding is shared with the federal authorities, only for those offences that come under the Criminal Code of Canada, because that's their jurisdiction, certainly not provincial statutes. Mr. Chairman, in the community of Lethbridge — something that hasn't been said is that they have legal aid counsels in various communities throughout Alberta. They all serve as volunteers. I think the lawyers — and it's not often I say this — should be commended for the time they spend as volunteers in dealing with these applications for legal aid. I know it takes a lot of time, and it's a service that often goes unrewarded and unrecognized.

Mr. Chairman, I think the family court question is a serious one. It seems to be an area where for some reason we can't deal exclusively within the province, certainly at the provincial court level, with areas that deal with Albertans within the Alberta legal system. I think of two areas: one is the youth offenders Act, where we're talking about 16-year-olds, perhaps not being adults in the future, but going to 18. I wonder if the Attorney General would comment on the capacity of our system in Alberta to handle someone who is 17 years 364 days, being defined as a youth. I understand that matter is being reconsidered now. We're not in effect saying that everybody 16 and over is considered an adult in terms of criminal law. I understand that federally they're looking at a new Act, termed the youth offenders Act, that would be applicable to all jurisdictions. Because I'm not clear on it, I would appreciate it if the Attorney General would.

Finally, Mr. Chairman, I'd like to close with the reiteration that it's often been said that justice delayed is justice denied. I think you can look at the other side of that and see where the law enforcement side has done an excellent job in terms of apprehension and picking up drunk drivers. Yet when it gets to the court level, for whatever reason — and I recognize this is probably a delicate matter — we get such an inconsistency on the punishment end, even to the point where about one in every two marijuana convictions in eastern Manitoba results in absolute dismissals, as it were. West of Manitoba, you get 1 or 2 per cent. One would say justice doesn't appear to be equal across the country.

That's all I have. Thank you, Mr. Chairman.

MR. NOTLEY: Mr. Chairman, I'd just like to make a few brief observations during the estimates of the Attorney General's Department. I'd like to deal with three questions, and then make a few comments on the constitutional issues raised by the hon. Member for Olds-Didsbury and the hon. Member for Edmonton Whitemud.

First of all, Mr. Chairman, with respect to legal aid, I just came in when the Attorney General was completing that portion of his comments. I notice there has been an increase, and perhaps the Attorney General will explain the reason for the increase. If he did, I'll look it up in *Hansard*. I've had complaints brought to my attention that we have not been providing sufficient funding to allow legal aid lawyers to recover a sufficient amount of reasonable defence. As far as I'm concerned, that's an important point I'd like to raise with the Attorney General, because in this kind of democratic society, the right to not only legal counsel but adequate legal counsel — not just the junior person who has joined the firm — has to be part and parcel of the whole process of the administration of justice in this province.

Mr. Chairman, I guess the question I would put to the minister is: have any studies been undertaken as to just

how successful legal aid has been in attracting very qualified, competent lawyers to take these cases? I'm not just talking about the odd case here and there, but as a general rule. I think the point we have to address is what the general rule is with respect to the ability of people who find themselves in difficulty and aren't able to acquire a lawyer because of their own limited financial circumstances. I suspect, with the recession, we're going to find that even more of a problem. Therefore I just leave that matter where it stands, and ask the Attorney General to respond.

A second area I'd like to deal with also concerns lawyers, and that is the massive defaults of two lawyers this year. In question period a few days ago, questions were put to the Attorney General on whether or not the government would be picking up whatever the amount is, the allotment, if you like, for each of the government lawyers. I'd like to know what that is in terms of the estimate. The Attorney General also indicated during question period that he had approached the benchers and had attempted to negotiate a bit of a cut rate, if I can put it that way. They indicated they weren't interested in that, and that the levy would apply to government lawyers as it would to people in the private sector. However, I would like the Attorney General to comment on what the public role is, if any, in terms of the larger questions that arise as a result of these major defaults.

The bar association is a self-governing association. No question about that. But on the other hand, when trust funds are abused by people in the legal profession, to what extent can we justify any self-governing body's right to have, if you like, that sort of unhindered privilege if, in fact, people are going to be left holding the bag? Whether or not people will be left holding the bag as a result of this levy, I'm not sure. I would be interested in what report the Attorney General can give to us in committee as to whether the levy which is being applied against all lawyers in the province will be sufficient to pay all the people who are out money as a result of these two unfortunate circumstances.

Mr. Chairman, I would like to move from that issue to talk a little about Vote 8, the public utilities regulation. Certainly, when we get into the estimates of the Department of Utilities and Telephones, I'll be saying a good deal more. I'd like to explore two aspects of Vote 8 this evening. The first aspect is the whole role, if you like, of interveners, where we have substantial demand on the part of the board to award great hikes. I recall that when I was first elected to the Legislature in 1971, it came after a great debate in this province, in 1970, over whether or not there should be a 15 per cent increase in Alberta Power rates and a similar increase in Calgary Power rates. Incidentally, that had been one of the first requests for a rate increase for many, many years, because with the increased utilization, the per-unit costs were going down. So for a period of more than a decade, there literally hadn't been an increase in power rates. Of course you could then allow the process to carry on, where people could intervene and make representation. You could have the adjudication, if you like, between the person preparing the case for higher rates and those groups opposing it.

For the first three or four years that the hon. Attorney General and I were members of the House, the rate increases and the applications weren't that thick and fast. There were a number of cases where there was quite substantial intervention, if you like, by people representing consumers who opposed rate increases. I know the

Act makes provision to pay a portion, and sometimes its 100 per cent of the intervener's costs. To what extent is that system working today, Mr. Minister? To what extent should we be looking at overhauling it, in light of inflationary demands and a substantial number of applications now before the PUB?

The second aspect — and I want to go into more detail with the Minister of Utilities and Telephones when we get to his estimates — is the request of both TransAlta and Alberta Power to increase the rate of return to, I believe, something in the neighborhood of 17 to 17.25 per cent. I know that with higher interest rates there might be a plausible argument for that case, but I would want to have assured to this committee, Mr. Chairman, that in no way would any of the costs of acquisition be brought into the rate base.

We all know what happened two years ago, where we had rather high prices paid for shares when Alberta Power was purchased from the international utilities empire. It seems to me that if we have these prices worked into the rate base in some manner, that is completely unfair. It's one thing for a person in the private sector to say, I want to go out and buy a power company and pay 10 per cent over the rate, 20 per cent premium, or what have you, provided they don't come back six months, a year, or two years down the road and attempt to work that into the rate base. I would want the assurance, Mr. Chairman, that in terms of the operation of the PUB, and the Minister of Utilities and Telephones implied it the other day — I would ask the Attorney General to clearly advise the committee what the situation is.

The risk, if you like, of people when they make acquisitions is that they cannot recover from the consumer down the road. If that is not the situation, Mr. Chairman, then we're going to have to take a look at this whole business of acquisitions, regulated private companies, public utilities that are privately owned. Without getting into the entire argument about the benefits of public ownership as opposed to private ownership, that perhaps we can discuss when we get to Utilities and Telephones, I will leave the question where I've placed it, on the issue of regulation as opposed to ownership.

Mr. Chairman, a final observation I'd like to make is with respect to some of the comments on the constitution. It's probably more appropriate that we discuss the constitution when we get to the Department of Federal and Intergovernmental Affairs. I would say that the Act passed by the British House of Commons and which the Queen will be bringing to Canada, while not perfect, is a substantially improved document over what it could have been, and we can all take some degree of satisfaction in that. I also agree with the Member for Edmonton Whitemud when he says that the constitution is not just the Act passed by the British House of Commons, but is the British North America Act and various amendments to the British North America Act, and you really have to take a look at the whole in order to accurately evaluate what is the constitution in Canada. I think one of the problems with some of the people who are raising the constitutional issue this day is that they tend to overlook the rest of the constitution.

Mr. Chairman, we would be naive in the extreme if we didn't recognize that some of these simplistic viewpoints on the constitution are very widely held. I don't think I will forget for a long time a joint forum four or five weeks ago in a constituency we all know very well — and I'm not usually one to say this, Mr. Chairman — where the conservative candidate was attempting to outline the

truth. I don't usually say that, you know. But the vast majority of people in that hall did not listen to him, because they didn't want to hear what the situation was. They wanted to hear that we had some kind of conspiracy in the constitution which would deprive Alberta of all the rights as a province. What I'm saying to you, Mr. Minister, and to the government is that it seems to me that feeling exists, and it is widespread. Whether it is accurate or not is really quite irrelevant. It is widespread.

I think what we have to do is analyse some of the reasons for that feeling. One of the major reasons is that the west is powerless in Ottawa, because we have a federal government where the House of Commons, because of its population base, inevitably tends to relate to the two central provinces. I don't think any of us who believe in democracy would suggest that we throw out representation by population — if we did that, we'd be turning back more than a hundred years of quest, if you like, for democratic government in this society — any more than we would throw out that principle in Alberta. But I think the question we have to address is: what role is there for structural change in the federal government which would balance the regional interest against the centres of population?

I don't often agree with Bill Bennett, but he has repeatedly made the case that we have to look at a reformed upper Chamber. You can call it anything you like. I raised the question today of whether or not the government was ready to push forward with the argument for a House of the provinces, a House that would have equal representation from every province, whether it's Ontario, P.E.I., Quebec, Alberta, B.C., or New Brunswick. This House would be in a position to have limited veto power. Most things that are decided by the federal government are on issues where there really isn't a great deal of difference among us as Canadians; unemployment insurance problems are the same in Cape Breton Island as they are in Spirit River-Fairview. But, on those issues which relate to provincial and federal overlapping, that kind of cross-jurisdiction, on those issues that have provincial or regional implications, it would seem to me that a restructured Canada, with a House of the provinces with that kind of limited veto power, would go some distance in alleviating this concern that is now very widespread.

It doesn't make any difference what you do when you go out and vote; by the time the polls close in Alberta, the election is already decided once you get to the lakehead. There is a certain amount of accuracy in that observation. The question is: how can we counterbalance that in a positive way? The premiers did some good work in the fall of 1978, and some good work again in 1980 on this second list of items. Mr. Chairman, what I'm saying to the committee is that we would be making a very serious mistake if we allowed that matter to sort of subside, set those items off to the side and went on with other things. I think there are some good reasons for pressing on with some of these structural changes in Canada which would give Canadians in the Atlantic region and in the west a greater feeling that on those issues that affect them, there's going to be a second Chamber which has a veto power.

I am not suggesting that's going to sweep away all the alienation. Those of us who have been around public life for many years know that isn't going to happen. But I am suggesting that we could take constructive steps which would improve the situation and de-escalate most of the hype, which I think at this stage threatens, to a very real

extent, to poison the attitude of many Albertans toward other Canadians. Mr. Minister, I would say to you that that is one thing I would urge you and your colleagues to give a lot of attention to in the months ahead.

MR. HYLAND: Mr. Chairman, I would like the Attorney General to comment on the possibility of having more than two land titles offices in Alberta. With the massive land transactions going on in the two offices in Edmonton and Calgary, I would like to hear the minister's comments on the possibility of one in southern Alberta and one in northern Alberta so the service would be closer to a portion of the population, especially with the times changing and the advent of computers. The ability of computers to call on information could be readily available at many different locations in the province.

A few comments on gaming control and how it's working. I feel it must be working fairly well, because I haven't had too many questions from groups about gaming like there were a couple of years ago. But some small changes might be thought of. Often when a group applies for a bingo or raffle licence, they have to put down what they are going to use the money for. In some cases they know in advance, but if they run into the problem where they don't know how much they're going to make from the venture, and if it happens to go good and they make a little more, they try to do something else in the community. They have to apply to see if they can spend that money in the way they propose. I wonder if there's a better way of doing that so it doesn't take so long to get the money into the volunteer agencies receiving support from these groups.

I am not sure what the Attorney General can do about the next subject. The Member for Lethbridge West brought part of it up. That is the variation in sentences by judges. Supposedly — and I say supposedly, not knowing the details of every case — sentences vary greatly from one case to the next. If we use impaired driving as an example, they may receive the minimum charge and minimum suspension; the next guy who comes up receives the maximum. In many cases it doesn't seem to make sense to the public when the guy who receives the maximum may not be able to pay it, and the guy who receives the minimum may well be able to afford to pay the maximum. Often it appears that it depends on the age, whether it's a young person or an older person who receives the charge, and it depends who the judge is. In a lot of cases there doesn't seem to be similarity between the fines and related sentences. There are even cases where a person has automatically been sent to jail and has not had the choice of paying a fine. Then they have to go back to court to get him released and to get back to a different position. It seems to me that these sorts of things are hard to explain, especially when they happen in the same courtroom on the same day.

I think those are most of my concerns. I await the Attorney General's answers to them.

MR. BRADLEY: Mr. Chairman, I hadn't intended to address any remarks this evening, but after the hon. Member for Spirit River-Fairview entered the discussion on the constitution, I thought perhaps I should make a few remarks. It's not often that I agree with the hon. Member for Spirit River-Fairview, but on this occasion I agree with some of the remarks he made. We must go back in terms of the process of where we are today and where we go in the future, in the context of what took

place in the summer and fall of 1980. At that point in time 12 items were on the table for discussion between the first ministers. There were ministerial level discussions on the constitution reviewing those 12 items. One of them, in fact, was the Upper House and the Senate and what should take place with the Senate, particularly the province of British Columbia putting certain proposals forward. That item was there and was to be discussed as part of a total package in terms of reform of the constitution, which was before first ministers of the provinces of Canada and the federal government.

As I recollect, significant progress was made at those ministerial level discussions and also at the first ministers' conference in September 1980. The whole process became derailed by, one, a 64-page document and, secondly, I don't think there was the will on behalf of the federal government to come to the conclusions that would have seen some of the reform packages moved forward. Even though substantial progress had been made, the Prime Minister decided at the end of the conference that he was going to move forward and, on October 2, announced that he was going to do things unilaterally. So all the items which had been on the table before with regard to the discussion of reform, institutions of the country, et cetera, were all off the table, and the Prime Minister was moving forward with his unilateral process.

What we have taking place with the new constitution and the constitutional Bill passed by the British Parliament is a very limited document which basically does three things: brings the constitution home, provides for an amending formula, and provides for a limited Charter of Rights. I think we must now move forward from where we broke off in September 1980 and bring back to the table those other items on which there had been substantial agreement by the provinces and move forward to bring them into a reformed constitution. We can now do that with the amending formula in the new constitution.

Other than that, I want to comment on the remarks made earlier by the Member for Olds-Didsbury in discussing an extension of the sitting of the House of Commons or provincial Legislature in the time of a war or emergency. To clarify those remarks for anyone who would be reading *Hansard*, a session of the House of Commons or the Legislature could not continue if more than one-third of the members were opposed to it. It would take two-thirds of the members of an Assembly or the House of Commons for a session to continue beyond the normal five-year term, and the elected members would make that decision. If more than one-third objected to it, the session could not continue beyond the normal limit.

I think the hon. Member for Edmonton Whitemud also clarified a number of issues. That's basically what I wanted to say.

MR. CRAWFORD: Mr. Chairman, I would like to thank the hon. Members who have thus far raised certain matters, either by way of comment, suggestion, admonition, or the like, as well as the questions which I'll now try to deal with. Although the Member for Edmonton Whitemud is not here at the moment, I want to thank him for beginning by giving an explanation which I was looking forward to seeing given in this Assembly.

As the number of speakers developed in the last half hour or so, several members chose to deal — I think very appropriately — with some of the points raised just prior to 5:30 when the Member for Olds-Didsbury was speaking and raising certain questions. It is my hope, Mr.

Chairman, that there will not be damaging misunderstandings about what really should be a matter all Canadians are united and proud in respect to: our new constitution. As ably as other members dealt with the matter, I want to put in one aspect the way I often like to present it to people, in the hope that in that form it is about as clear as it can be. Other members have touched upon it in the same way in part.

When you say the constitution of a country is the supreme law of the land, of course it is. That's what a constitution is. Every nation that has one has its constitution for that purpose. The important aspect of the new Canadian constitution, other than the items introduced into it about which some discussion has been made, is the vital point that the British North America Act of 1867 and its amendments from that time are part and parcel of that supreme law of the land, part and parcel of that constitution, carrying all the weight and power of every other provision in that document, fully equal in their strength and durability to anything else there.

What is the significance of bringing forward the British North America Act of 1867, in particular sections 91 and 92 which distribute the jurisdictional powers between the federal parliament and the various provincial legislatures, and saying it is part and parcel of our constitution? It simply means that the rights Canadians had under that previous constitution are the very ones guaranteed under the new one. Anyone who makes an argument to the contrary I not only cannot agree with but must say that I think it's — maybe not deliberate. I'm trying to find a word which doesn't make it sound as if I believe people would do this deliberately. But it is a sad event when this presentation and adoption of a new Canadian constitution — something we have wanted over the years — should be made an occasion to say that the result is something less than what we've had before. Everything put forward in the new constitution says that is not so. Everything put forward in the new constitution says the traditional rights, including those under section 92 of the British North America Act that existed 100 years ago, existed a year ago, yesterday, today, tomorrow, and each day in the future after the adoption of the new constitution. I speak on that only to emphasize that one point because, as I've noted, other members have ably dealt with the same issue.

Coming to the points raised by the hon. Member for Lethbridge West, he asked first whether there was any indication of a change in the administration of justice following the amendment to the Summary Convictions Act last fall, having to do with specified penalties. Just to recall what that was, the clarification given by way of amendment to the Summary Convictions Act at that time was for the purpose of making it very, very clear that in appropriate cases a peace officer could summons a person and not give him the option of paying the specified penalty. That was aimed specifically at relatively serious traffic violations, in particular persons driving while under suspension.

I would have to say to the hon. member that of course the amendment legislation has not been in effect long enough to be able to judge trends, but my understanding is that it has been interpreted the way we intended and is being utilized in that form. The main advantage to the specified penalty system, mentioned by the hon. member, is the smoothing out of the process in the courts and convenience to the citizen involved in what is really a relatively minor offence. I don't think it will be in all its full, useful, efficient way of being handled until our

computerization processes are more advanced. These systems are in development at the present time and have been for the past couple of years. Another two or three years should see everything in place so we can have a tie-in between the vehicle registry, the operator's licence registration, and any offences or proceedings there might be in relation to that person, and introduce a vastly more effective system of civil collection of fines and downplay the criminal portion of it, which is what was always intended in the specified penalty system and in what's often referred to as the court diversion projects. Even so, up to this point we consider them to be successful.

[Mr. Purdy in the Chair]

One of the other points raised by the Member for Lethbridge West was with regard to reducing the number of outstanding warrants by telephoning people the day ahead of their appearance date so they will come. I must say, that struck me as an interesting idea. I don't know how far police forces may have toyed with the idea. Provincial courts handle some 20,000 cases per month. Most people show up. If only you knew which ones were not going to the day before, they could certainly be phoned. I'm not saying the suggestion by the hon. member is without hope of success, but it is something that in effect can only be offered to the police forces to see if they [think] it would be of some value. Admittedly, the prosecutorial staff of the Attorney General's Department are the ones most directly involved and most interested in seeing that indeed the people do appear.

As to the justice of the peace schedule of remuneration or possibility of an honorarium, I think the hon. member makes a valid point. That can certainly be looked at.

As to death certificates, I'll take a further look into that. I'm surprised to hear that death certificates are as far behind in some cases — they would be rare cases — as the hon. member suggests. My understanding is that the way the fatality enquiry process and the medical examiner's office works, the actual certificate verifying the death would not be delayed that long. It could only be the report or final certificate attributing a cause, if the cause was difficult to ascertain and required lengthy laboratory investigations. The burials take place with little delay.

The hon. member has mentioned that sometimes survivors have to act upon a burial certificate rather than a death certificate. When it happens, that is a concern. I don't mind having that checked out. It had not previously come to my attention, although much attention has been given to the question of making sure that people are not unduly delayed at such a difficult time as dealing with the death of a relative. It's in those cases where there is some unexplained cause, and perhaps those are even more difficult on the survivors than more natural death.

The reference to the young offenders legislation continues to be of interest. This legislation will perhaps not be proclaimed until next year, and will succeed the Juvenile Delinquents Act. I have to agree with the hon. member's observations. He asked me a question in regard to what impact it would have on facilities. I'll try to generalize about that in a moment. I think it was implied in what the hon. member said that some difficulties will result from changing the age from 18 across Canada, as a number of provinces have opted for the age of 16 for males until the present time.

We still support that position. We think that some of the most difficult law enforcement cases are 16 and 17

year old males. As unfortunate as that is, it is a fact of life in the courts and in the work of the police forces. That is reflected there, and it seems to me to be a mistake to take particularly the oldest in that age group, the ones over 17 for example, and group them with people who are much younger, and treat them all together as juveniles or young offenders. It seems to me that that carries with it considerable disadvantages.

I think all the provincial governments are agreed that if the age of 18 is universal across Canada — no doubt some studies have begun in some of the social service and correctional areas, but I can't say exactly what the impact would be except that it would be very significant. That is the general response I can give the hon. member.

The Member for Spirit River-Fairview raised the question of legal aid, and asked about the reason for the increase in the appropriation and whether or not it covered specific concerns. The increase in the tariff, which occurred last year, was 15 per cent. The tariff is established by the Legal Aid Society. Of course it is made up of representatives from the Law Society and the Attorney General's Department. The reason the appropriation was relatively level for one or two years was because the society was able to work from a surplus. I mentioned earlier that there is an item of income for the plan, in that some attempt is made to collect from people who have been served. There is always an unknown there. It's not the sort of thing that would create a large surplus, but it creates an item of income which is an unknown.

The contributions of the federal and provincial governments under their contract are worked out as well as can be estimated in advance. But what happened in the last year or so was that any surplus that had previously existed, for whatever reason, was quite rapidly eaten up as a result, primarily I believe, of the increase in utilization; not so much from a change in the scope of the plan. Guidelines have been relatively strictly kept as to the type of case which can come in, and not so much from the 15 per cent increase in tariff as from the increase in activity.

A further increase of 15 per cent is in the works this year. That will mean that although there was a year or so where there was probably no increase, there would be a 30 per cent increase over two years. Clearly additional funds are in part required on that account alone.

Whether or not legal aid has been successful in attracting the more able counsel, I would have to say that I don't know the way to assure that that's done. It seems to me to be something of a hit-and-miss basis. You get some very able counsel who are willing to work on legal aid, and obviously there are other cases where more junior people are the ones the office provides for a legal aid case. The recovery from legal aid runs at only about 35 to 40 per cent of what the lawyer would say his normal charge would have been. I always fence with them a little over that, because at least they're getting paid, whereas a lot of lawyers who acted for people in criminal cases prior to the days of legal aid had to do it if not for nothing, at least only looking forward to a long and excruciating period of trying to get blood out of a stone in some cases. So the legal aid system does help in that respect. I think I wrote off a few of those myself, and everybody did prior to legal aid.

But the lawyers generally say: well, get us an assured area of around 50 per cent of what the normal tariff should be, and we can make it work. I think that with increases in the tariff, that's the sort of attempt we'll be making. I just leave that point by saying that fortunately through legal aid, in the serious cases, it is frequently if

not generally possible to obtain the services of an able counsel. We'll keep working on the necessary arrangements with the society and with the Law Society, who also have input.

The defaults that the hon. Member for Spirit River-Fairview raised are important. I think they have indeed attracted the attention of the public. There is a serious self-examination that the legal profession has to undertake. The hon. member touched briefly upon the question. So be it there are a number of self-governing professions. The legal profession is perhaps the one best established over the years in that role, and for almost all that time the least questioned in respect to whether or not it was a proper process to have professional self-government. I hope the current difficulties will not be repeated or persist, in order that some of the heat will be taken off, you might say, what is maybe a necessary re-examination of the whole idea of professional self-government in that specific area of how the assurance fund is operated. I don't think it relates to most other matters, but it may well relate to that area.

Other professions are not in the same position. Doctors, pharmacists, dentists, and so on rarely would be in the position where trust funds were involved, certainly not to any large extent on behalf of patients. It is a unique thing that the legal profession has a significant challenge the others do not have.

One of the things I would note — and the hon. member asked what the cost would be for the government lawyers. The amount of the levy this year is not strictly known, but it's often said to be in the range of \$1,000, of which \$600 has been levied so far. The balance is to come. With nearly 200 lawyers in the department, it is that figure of up to \$200,000. It's a substantial sum. But as I indicated in the House when the question came up earlier, I think an employer who employs lawyers does that, and there is no reason it shouldn't be done. Naturally we regret that it has to be done at all.

The other point I want to make relative to that is that some of the big losses to people were in dealings with the lawyers. Probably the people didn't fully understand this and that's the problem, but it wasn't relative to the practice of law and the assurance fund wouldn't cover areas that were not relative to practice. I can see how confusing it would be — or maybe not. Maybe it looked entirely evident to the person in the lawyer's office who believed that when he was dealing in, say, a mortgage investment he was actually placing funds with him in trust, whereas, strictly speaking, he was not at that point.

So losses that occur from business defaults would really be in the same class as any other business loss — regrettable, and possibly involving criminal activity, as in the cases mentioned, but not part of any trust fund at the point that it's passed to the lawyer who happens to be acting as an investor instead of as a legal counsel. I realize that to expect that this would be readily apparent to a person who's in the office and who is also a client on some other matter is asking a lot and is just another ingredient in the misfortune.

As to the Public Utilities Board, interveners are funded, and it may be by way of advances made only by the board. There's no assurance that the interveners will be fully reimbursed or have all the costs of their intervention picked up by the funds made available through the board. I would ask my colleague the Minister of Utilities and Telephones, when his estimates are up, to maybe provide a little more information about exactly what dollars are flowing to intervening groups, because that's

really what the hon. member's question was. Because of the way the board handles this item, those figures are not part of the Attorney General's appropriation. The quasi-independent nature of the board results in that situation. But the information can be obtained.

Now I would agree entirely — and my understanding of the policy is that the Public Utilities Board would not allow the costs of acquisitions of the shares in another utility related company to become part of the rate base. As I say, my understanding is that they don't allow that, and certainly my view — I haven't heard argument on the subject yet — given now would be that there would be no justification for it. It shouldn't be done.

I think there was one other point that perhaps my colleague the Minister of Federal and Intergovernmental Affairs will deal with in due course. It was partly dealt with by one or two of the members who spoke about the constitutional discussions of 1980 in particular, and the ones that immediately preceded that. As to the possibility of structural change in the federal system and the House of provinces idea, I think that continues to be attractive to many Canadians. What the difficulties might be in having an amendment along those lines, I don't know. It would not be seen to be an advantage to the two central provinces. It would be an advantage to all others.

The idea, as I would assume it is being discussed in almost all cases, is that the representation would be on a similar basis to that in the United States. The jurisdiction has a given number of members equal to the number enjoyed by another jurisdiction in the country with a larger population: the old example of California and Wyoming both having two senators. That has its advantages, as long as the situation is — and nobody has quarrelled with this — that in the House of Commons there's representation by population, as we indeed have. I think the anomaly that people have highlighted is that we have both a lower and upper House, so to speak, where both are representation by population in one way or another. It's not precise but it's close to a population test.

The last points were raised by the hon. Member for Cypress. I think I can answer him in this way. I don't think we really want more than two land titles offices in the province. The reason is that those who have numbers of land titles offices are probably working toward trying to get it down to one. There are lots of advantages to that. What you want, and I'm sure you could have — and it will serve every bit as well — are terminals in parts of the province within a few years.

I've often had the question from the hon. Member for Grande Prairie. Anybody in the Peace River block can certainly make the argument very, very persuasively. I think that is justified, but it's also on the way. In due course we'll be able to have offices which might not be the registry office itself, but will be a place where a person can go, conduct a search, and get information which would be up to date as of the day he walks into a branch office where there's a terminal. That may be a few years away yet, but it would increase convenience for people without multiplying the number of separate, actual jurisdictions. As I say, there are some advantages in not having too many separate registry offices.

I remember when the chattels were all registered in the same offices as the judicial districts. When you wanted to purchase a business, you couldn't be sure if the movables which you just searched in the office at Edmonton did or did not have charges against them in the office at Wetaskiwin, because it had a separate office for registration of movables. Now we never had that difficulty with land

titles. So it is a protection factor for people to have, as much as possible, the registration under one roof.

Mr. Chairman, that concludes most of the issues that were raised. I know the hon. Member for Cypress added a few observations in regard to sentencing and raised a question in regard to charitable purposes under gaming, but I think those are issues I need not directly respond to now.

Agreed to:

1.01 — Minister's Office	\$189,880
1.02 — Deputy Minister's Office	\$255,190
1.03 — Administrative Services	\$2,441,020
1.04 — Planning, Research and Development	\$1,035,710
1.05 — Executive Management	\$622,500
1.06 — Personnel	\$1,004,240
1.07 — Finance	\$3,107,610
Total Vote 1 — Departmental Support Services	\$8,656,150
2.1 — Court Support Services	\$7,006,460
2.2 — Court Operations	\$36,570,160
Total Vote 2 — Court Services	\$43,576,620
Total Vote 3 — Legal Services	\$18,358,720
Total Vote 4 — Support for Legal Aid	\$6,824,000
5.1 — Public Trustee	\$4,142,620
5.2 — Central Registry	\$3,195,500
5.3 — Land Titles	\$8,679,530
5.4 — Land Compensation	\$408,500
Total Vote 5 — Protection and Administration of Property Rights	\$16,426,150
Total Vote 6 — Fatality Inquiries	\$2,778,350
Total Vote 7 — Crimes Compensation	\$908,620
Total Vote 8 — Public Utilities Regulation	\$2,723,740
Total Vote 9 — Gaming Control and Licensing	\$451,640
Department Total	\$100,703,990

MR. CRAWFORD: Mr. Chairman, I move that the vote be reported.

[Motion carried]

**Department of Consumer
and Corporate Affairs**

MR. DEPUTY CHAIRMAN: Has the minister any opening comments?

Agreed to:

1.1.1 — Minister's Office	\$150,590
1.1.2 — Executive Management	\$425,215
1.1.3 — Financial Services	\$199,720
1.1.4 — Personnel and Staff Development	\$220,045
1.1.5 — Research and Planning	\$128,310
1.1.6 — Audit	\$345,720
1.1.7 — Administrative Services	\$467,965
1.1.8 — Information Systems	\$887,750
1.1.9 — Communications	\$24,180

1.2.1 — Regional Offices	\$3,412,190
Total Vote 1 — Departmental Support Services	\$6,261,685

Vote 2 — Consumer Services

MRS. CRIPPS: Mr. Chairman, could the minister please explain the Debtors' Assistance Act services under Vote 2?

MR. KOZIAK: Mr. Chairman, under consumer services, Vote 2, we provide assistance in terms of counselling Albertans who find themselves in financial difficulty due to debts they've acquired due to credit they've obtained that they can't handle. In addition, we handle the orderly payment of debts under part 10 of the bankruptcy Act, in which we receive payments on behalf of debtors in the province who have difficulty making their obligations. They contribute to a fund, and we obtain from the debtor, verified by the creditor, the creditors and the amounts outstanding to them. Then on a regular basis we distribute, on a dividend basis, payments we receive from the debtors to the creditors in the province.

MRS. CRIPPS: Would that provide protection for, say, someone who has purchased rugs from a rug retail outlet that has gone bankrupt, or someone who has purchased a house and the builder has gone bankrupt? They've expended their funds, but they have nothing to show for it.

MR. KOZIAK: No, those problems, although they are real, don't fall within that category. The question of prepayment of services or goods, without delivery of those services or goods, combined with the subsequent failure of the firm that promised those services and goods, has always concerned me during my term as Consumer and Corporate Affairs minister. To date, we've moved in certain directions with the licensing and regulations dealing with the modular, prefabricated mobile-home area with mail-order businesses. We're developing regulations in other areas of future services.

It's a difficult area, because one should never be under the illusion that one can completely provide consumers with protection in these particular areas. It's always important that consumers realize the dangers that attend any prepayment for goods or services, and that they themselves should ensure they're dealing with a firm that is solid and is not going to disappear overnight.

Agreed to:

Total Vote 2 — Consumer Services	\$1,235,885
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Vote 3 — Business Registration and Regulation

MR. NOTLEY: Mr. Chairman, on Vote 3, I notice that this covers regulation of credit unions and co-operatives. I believe it was about a year ago that the co-op activities branch was disbanded and merged into the department. Could the minister give us an outline as to the reasons for that, what consultation took place with the co-ops on that matter, and where things now stand in terms of the personnel who were formerly employed with co-op activities?

MR. KOZIAK: Mr. Chairman, the co-operative branch has not in fact been disbanded. It exists in Stettler. That's

the head office of the branch. However, because of the nature of the province and the fact that co-operatives exist all over, the delivery of service and the main contact point for co-operatives with the department is at the regional offices. From speaking with members of the co-operative movement, my understanding is that they are very pleased with the service they are obtaining from the department at the regional level.

MR. NOTLEY: If I could follow that along, are there officers at the regional level who have specific responsibilities for co-op promotion, education, et cetera, or are they undertaking other duties which include their work with the co-ops?

MR. KOZIAK: They undertake other duties in addition to work with the co-ops.

MR. NOTLEY: What discussions took place, then, with the co-operative movement before the change was made? My recollection is that we've had a co-op activities branch and regional people — and I stand corrected if I'm wrong — for many years. Was there any discussion with the umbrella organizations in the province? At the moment we have some very large consumer co-ops. Of course we have the Credit Union league of Alberta and Federated Co-operatives. What review of this approach has been undertaken by the department in conjunction with the co-op movement? The minister tells us that they seem quite happy, but to what extent has there been a formal evaluation and discussion by the minister and the co-operative movement?

MR. KOZIAK: The meetings and discussions I've had with what you might term the prime movers within the co-operative movement, those who account for the substantial dollar volumes and business transacted by the co-operatives and those who account for substantial numbers in terms of members in co-operative movements, have indicated to me that the role they expect the department to play in the area of co-operatives is partly regulatory, partly registry, and partly information. They do not expect that the department should involve itself in any substantial way in developmental work. They feel they're more capable and better equipped to deal with those aspects on their own rather than having the government involved in those areas. Generally speaking, I'd say we're following the suggestions they made to me during the course of a meeting I had with them some time ago.

MR. NOTLEY: If I could explore that a little further. The meeting the minister mentioned included representatives of the major consumer co-ops? Perhaps the minister could outline. Since the co-op movement is large and varied and not totally of one mind — all one has to do is look at the difference between some of the rural co-ops, as I'm sure the Minister of Agriculture could testify, on certain issues. Who was at the meeting, and when did it take place? Did it occur before this change was made? Did the change result as a consequence of the meeting, or was the change made and then a meeting convened by the minister to evaluate the change?

MR. KOZIAK: The meeting took place as we were moving with the reorganization of the department. I couldn't give you exact dates relative to that decision. The meeting involved representatives of the large con-

sumer co-ops, the Wheat Pool, and the larger farmer producer co-ops — as I say, the prime movers in the co-operative movement, in terms of dollars and in terms of number of members. The housing co-ops were not included at that meeting, that I can recall specifically.

But our role has been — because of the nature of co-operatives, they don't restrict themselves to one element of business. They're involved in many areas, and the way in which they assist their members varies as well, whether it's in terms of a consumer co-op or producer co-op. Because some of the co-operative activities can be provided through Housing and Public Works, some through Utilities, and some in other areas, our feeling is that our best role is to be a source of information that would direct people in these areas, provide assistance in terms of new legislation, the incorporation of a co-op, that type of a thing, but leave the actual assistance necessary in terms of providing for a successful operation to those strong elements of the co-operative movement, relying to some degree on support services available in other departments.

MR. BRADLEY: Mr. Chairman, I have two questions to the minister with regard to this vote under business registration and regulation. I know the minister has been a champion of deregulation and making life easier for our business community in the province. I wonder if he might give us an update and report as to where he is with regard to his initiative with regard to less licensing requirements, et cetera. Does he intend to take new initiatives to remove these requirements from other businesses in the province — deregulation in that sense?

The second question is with regard to the new Business Corporations Act. I wonder if he might be able to give us an update on that particular Act, in particular with regard to the requirement for re-registration of companies under the Business Corporations Act and the expense which may be entailed by individual businesses on that point. Some concerns were expressed to me if this is going to be an annual thing corporations will have to do. Can you give us some assurances as to what is actually taking place with regard to those re-registrations and the expense which businesses may have to incur? Is it in fact an expensive thing, or is it something that could be very simple for a business to do?

MR. KOZIAK: Mr. Chairman, with respect to licensing, the number of licences that have been eliminated is in the area of 30,000 to date. The areas I'm looking at and that hon. members are aware of, having regard to discussions that have taken place in this Legislature already but which have not yet been implemented, would be, for example, with respect to auctioneers. We passed a new piece of legislation in that regard last year. We're now in the process of completing drafting of regulations under that legislation. I hope to have that ready for passage by order in council with a concurrent proclamation of the legislation by approximately May 1.

What happens there is that we will no longer license each individual auctioneer. We will license an auction sales company, and only auction sales companies will be able to conduct auction sales. But the auction sales companies will themselves have the responsibility to ensure that the auctioneers they hire are properly qualified. We've discussed this with the Auctioneers Association. We've had meetings with them and have reached a successful conclusion in that area. So we should be moving in that direction fairly shortly.

The other area is under the direct sellers' legislation and regulation. Here again, we'll be shifting the onus from the department licensing each individual salesman to the department licensing the agent or the company selling its product; for example, Amway. The company or the agent would then have the responsibility of making sure that each of its agents has proper identification, under that original licence, to present to a prospective customer. There again, we'll be eliminating licenses that would number in excess of 10,000. So that is something we are looking at within the next number of months.

The second question was with respect to the Business Corporations Act. That piece of legislation was proclaimed on February 1 of this year. All the existing companies incorporated under the Alberta Companies Act will be required, over the course of the next three years, to file continuance documents with the registrar of companies under the Business Corporations Act. During the first year, and that year began on February 1 of this year, there will no fee payable at all to corporate registrars. During the second year, a fee of \$50 will be payable, and thereafter the fee would be \$200. The forms required for the continuance have been prepared and are available. In addition, we're expecting very shortly hopefully a readable kit that will assist individual directors of companies in the preparation of documents that may be required in order to file continuance documents with the registrar of companies.

Generally speaking, the information I have received thus far is that in those companies where there is a substantial amount of business activity where there may be tax considerations and other matters, it would be wise for them to discuss this matter with their accountants and legal advisors. But to date, the information I've received is that about 50 per cent of the companies that have filed continuance documents have been prepared without the assistance of legal and accounting advice. So that's possible.

One of the aspects of the fees the hon. member inquired about is whether this would be an annual thing. No, this is a once in a lifetime project in which the company would have to file its continuance documents. I might point out that we have required in the past with companies under the Companies Act, and will continue to require in the future with respect to companies under the Business Corporations Act, that they file an annual report or summary. In the past, there was a fee attached to the filing of that annual summary, and it was further compounded by a late filing penalty if that summary wasn't filed and the fee paid in time. We've simplified the annual summary, and we've eliminated the annual fee. In the future with companies under the Business Corporations Act, there will be no annual fees to be paid when the annual report is filed.

DR. CARTER: Mr. Chairman, to the minister. I wonder if you'd be good enough to comment as to what developments and discussions have taken place with respect to the travel agents of the province. I understand there is still quite a lingering concern with respect to the lack of bonding requirements for travel agents.

MR. KOZIAK: Mr. Chairman, last summer, I believe it was, I had a meeting with the association representing travel agents in this province. That meeting came subsequent to comments I had made indicating that I was carefully looking at the area of travel agents, considering such matters as trust accounts and bonding. At the

meeting I had with the travel agents and their association, they suggested to me that they would prefer an assurance fund to bonding. They opposed the concept of trust accounts because of the nature of their business where, in some cases, they prepay for a consumer's purchase of certain items before they receive funds from that consumer. The normal trust account concept was not workable.

Subsequent to that, I met with my counterpart in British Columbia and met with the board or commission in British Columbia that handles an assurance fund similar to the one that representations were made to me should be available in Alberta.

I have some trouble with the concept of an assurance fund in Alberta for travel agents. That trouble basically stems from the fact that I'm not sure the numbers and the volume of business would permit a successful assurance fund to operate in this province. That's something I'll be considering over the course of the summer months. Alternatively, of course, we can move with a licensing and bonding requirement. That's an alternative we can consider during my further review of this during the summer. I expect I'll be having meetings with the association during that time as well.

Agreed to:

3.1 — Program Support	\$785,410
3.2 — Regulation of Insurance Industries	\$182,650
3.3 — Regulation of Automobile Insurance Premium	\$111,980
3.4 — Business Incorporation and Registration	\$4,443,840
3.5 — Registration and Regulation of Trust Companies	\$124,590
3.6 — Regulation of Credit Unions	\$118,240
3.7 — Licensing	\$418,270
3.8 — Regulation of Credit Grantors	\$185,690
3.9 — Regulation of Business Practices	\$219,160
3.10 — Regulation of Real Estate	\$194,180
3.11 — Regulation of Co-operatives	\$97,980
Total Vote 3	\$6,881,990

Total Vote 4 — Regulation of Securities Markets	\$3,138,170
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Total Vote 5 — Rent Decontrol Administration	—
no amount to be voted	

MR. SINDLINGER: Mr. Chairman, at the beginning of the sitting, I asked the minister if consideration would be given to monitoring the rental increases in the city of Calgary. The minister said he would accept that as the representation it obviously was, and I wonder if any more consideration has been given to that. Also I might ask the minister if there has been continuous monitoring of defaults in the agricultural community, in the small business sector, and by new home-owners due to high interest rates.

MR. KOZIAK: Mr. Chairman, I can't speak with any degree of knowledge on the question of defaults in the agricultural community. I would imagine that probably the hon. member speaks of such matters as business arrangements farmers might have with implement dealers, or arrangements farmers might have on moneys they've borrowed and secured their land with. I don't have good definitive information on that. The only thing I can point out is that under the administration of my colleague the

Attorney General, the Law of Property Act provides for certain protection to a borrower, to a mortgager. In the event of foreclosure on residential property, for example, there is a six-month redemption period after the court orders the first order in the foreclosure proceeding, which permits the borrower to bring his mortgage into good standing or pay off the mortgage. With respect to farm properties the provision is one year, so there is an extended period of time.

The information I have — and it isn't as current as we would maybe like to have it — would be that the numbers of foreclosures were not significantly different last fall from the previous year. But much has happened since last fall. I wouldn't feel comfortable in providing the member with information on what the status of such aspects is now. Of course factors that effect the rate of foreclosure include not only defaults on the mortgages but such things as high interest rates and the question of the value of property. For example, if you have a very small down payment, a large mortgage, at the same time as property values go down, then the rates of foreclosure go up, because the home-owner concludes at some point in time that he or she doesn't have any equity in the property and concludes from a business point of view that there is no benefit in continuing with payments. Foreclosers sometimes reflect the decline in property values more than anything else. That's a factor I haven't got good definitive information on that I can share with my colleague.

The other point was the question of monitoring rent increases. [Canada] Mortgage and Housing Corporation does a semi-annual review of vacancy rates. We found out that they do a semi-annual review of rental increases in Edmonton. I guess that same review is not available with respect to Calgary. I met with HUDAC in the past number of months and asked them to provide me with information on rental increases in Edmonton and Calgary. Information on rental increases can also be garnered from CPI information produced by statistics Canada. The information that HUDAC shared with me was of a limited sample. Their information indicated that increases in Edmonton on 20,000 units they were involved in were about 12 to 13 per cent over 1981. That's what the average increases in 1981 would have been. They vary, of course, with the quality, age, and size of the accommodation. The information they provided me on Calgary was that of 18,000 units surveyed there, the increases were an average of 10 per cent. But the largest increases of about 15 to 27 per cent appeared to be in older units where the rents were relatively low and buildings were now facing mortgage renewals at higher rates. There again, they advised me — and I received this information from them on March 19 — that vacancy rates in Calgary were zero in the older structures and about 5 per cent in the large, luxury units of new construction.

The indication is that there seems to be an increase in the vacancy rate in both Edmonton and Calgary, which should materialize when the April figures are available. That's not unusual, because if one looks at trends in Edmonton and Calgary over the past number of years, one finds that the lowest vacancy rate in both Edmonton and Calgary is normally in October. I suppose that might have something to do with the university year. The vacancy rate is normally higher in April of the following year. That's the type of information I can share with the hon. member.

I don't think it would be useful for the department to do a monitoring of rents in the province, particularly one

that's very exact. The reason I say this is that there are literally thousands of landlords in the province, and they act independently. Were government to provide them a service such as telling them what increases are, then those who had increased below would raise to the upper figure. I don't think we would be doing tenants in this province a service by eliminating the competition and by creating a standard to which rents can increase. Of course that's one of the difficulties of a rent control system. Everybody raises to meet the needs of the rent control system rather than to meet the needs of the market place.

MR. SINDLINGER: Mr. Chairman, I'd like to make a final observation with regard to monitoring rental increases in the city of Calgary particularly, and especially Calgary Buffalo. I would like to point out that in the four years I've been a Member of the Legislative Assembly I've had more complaints from tenants in the last three months than over the previous three years. The magnitude of the increases has been inordinately high. They have been in the range of 50 to 75 per cent in some instances, and they haven't been spaced out that much. They've been coming every two or three months. If it hasn't been direct rental increases, it has been incidental costs tacked on for parking or things of that nature, which makes it appear very onerous to those people renting.

I'm not suggesting that a survey be undertaken or a monitoring effort be made of those rental increases in Calgary to set a prescribed limit. I appreciate what has been said, that once a limit has been set it becomes *de rigueur*, and people in fact increase to that number or more. But it's important to have not only adequate information but current information available so the government can identify if a problem does exist and take appropriate steps or actions. Many people talk to me about these problems. I look at the objective of the department, and it calls for fair standards of commercial endeavor. Many of those calling me about these inordinately high rental increases would maintain that these are not fair standards of commercial endeavor, and would therefore fall under the purview of this particular department. So although I understand the minister's position, I would ask that the minister give some reconsideration to developing adequate and current information for the department's own needs, rather than relying on outside information that is dated as well.

MR. KOZIAK: Mr. Chairman, I would like to make one other comment with respect to this matter. I am sure the Member for Calgary Buffalo and other members from the city of Calgary recognize the tremendous effort the city of Calgary put on in the latter months of 1981 to accommodate applications for building permits for multifamily construction in '82 in order to take advantage of the expiration of the MURB program.

For example, the information I have is that in 1981 the city of Calgary issued building permits for apartment units which were three times what they issued in 1980. I think it's important that we get those units on stream, that they materialize, so the permits don't end up just being a piece of paper but actually translate themselves into units that can be inhabited by the citizens of Calgary. In the city of Edmonton we had an increase in building permits issued of 74.8 per cent in 1981 over 1980. Those are important statistics. For example, Calgary has the highest growth rate in the nation. It had a growth rate in both 1980 and '81 of 5.6 per cent. That's a substantial

growth rate when compared with Toronto, which has a growth rate of 0.6 per cent. Yet the vacancy rates in the two cities are the same. While Calgary has had an increase in population which is about nine times the increase in Toronto, still the vacancy rate is not significantly different from that in Toronto. The builders in the province have been meeting the demand. We have to make sure that nothing we do in this Legislature will discourage builders from continuing to meet the demand, making sure that the building permits issued in the latter months of 1981 materialize into actual suites. I thought I would share that information, because I imagine the hon. Member for Calgary Buffalo agrees with me in those comments.

MR. SINDLINGER: Mr. Chairman, I'd like to assure the Minister of Consumer and Corporate Affairs that in principle I agree with what he is saying. It seems to me to make the most economic sense to pursue the course just outlined by the minister, because it does ensure that the private sector participates in meeting the growth and the needs of the city as well.

I have difficulty reconciling this in my mind too, but it seems to me there is too great a reliance on the private sector. We give too much support to that and, on the other hand, somehow neglect the social costs associated with growth as well. On the one hand, as a pure capitalist I could say: yes, let's make sure we don't inhibit or impair the private sector. But those things we do in the private sector infringe on the private lives of others whether we like it or not, and in no way can they be responsible for their own success or failure. They are in effect casualties of the progress of the majority of the people.

The criticism most often leveled against this government in particular is that there's too much emphasis on nurturing and ensuring the health of the business sector without due regard for the associated social costs. I admit it's a dilemma that's difficult to handle. I just want to emphasize that point, because we ought to bear that in mind when we look at future programs. I find it difficult to stand here and say to the lady who phoned me at 7 o'clock this morning — and it's only one of many, many calls I've had over the last three months — don't worry about about it, because we are nurturing and enhancing the private sector; the best way we can ensure that this won't happen again is by building more rental units, increasing the supply for the future, and therefore having a downward pressure on the rental price. She can't take that type of reassurance to the grocery store. It's not going to help her in the next five years.

So overall I would say, yes, you do have to encourage the private sector to build more accommodation, but in the short term I think we have to be more aware of the social costs and the needs of these individuals.

MR. KOZIAK: Mr. Chairman, one of the difficulties we have in this Legislature is to continually communicate to our constituents the programs we do have that deal with the social costs. For example, although construction takes place in the private sector, the \$1.7 billion provided for housing in this province last year is a direct reflection of our understanding of the social needs of people, one of the very important social needs, the need to have a roof over your head. If we look at the breakdown of the type of housing provided, much of it is directed specifically toward the type of individual who would be phoning you at 7 o'clock in the morning. Whether it be the Alberta family home purchase program, which provides for sub-

sidized mortgages with interest rates the results of which would see a subsidy of as much as \$500 a month — each time a family buys a home under that program, that's one less family in the rental market. It removes one element from the demand side. Those have been extremely useful and well received. The core housing incentive program, where half the units built have to be set aside for people with lower income who will pay no more than 25 per cent of their income for rent; the same with our senior citizen self-contained units. As a department in our regional offices, particularly in Edmonton and Calgary where the problem is greatest, we provide information on these housing programs to people who approach us, who write to me or other MLAs and are referred to me. It may well be that in what might be termed a luxury high-rise apartment, the rents are beyond the means of the occupants. But we do have these programs where rents are within the means, and it's our goal to direct the people in need of those programs into those units. That is a direct reflection of the social concerns the hon. member raised in his remarks.

Agreed to:

Department Total \$ 17,517,730

MR. KOZIAK: Mr. Chairman, I move that the vote be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration the following resolution, reports as follows, and requests leave to sit again:

Resolved that for the fiscal year ending March 31, 1983, sums not exceeding the following be granted to Her Majesty for the Department of the Attorney General: \$8,656,150 for departmental support services, \$43,576,620 for court services, \$18,358,720 for legal services, \$6,824,000 for support for legal aid, \$16,426,150 for protection and administration of property rights, \$2,778,350 for fatality inquiries, \$908,620 for crime compensation, \$2,723,740 for public utilities regulation, \$451,640 for gaming control and licensing.

The Department of Consumer and Corporate Affairs: [\$6,261,685] for departmental support services, \$1,235,885 for consumer services, \$6,881,990 for business registration and regulation, \$3,138,170 for regulation of securities markets.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, it is proposed that the Assembly sit tomorrow night. We would be in Committee of Supply to deal with the estimates of the Department of Culture, and if there's time after that, the Department of Education.

[At 10:11 p.m., on motion, the House adjourned to
Tuesday at 2:30 p.m.]

