

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, July 14, 1986 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **TABLING RETURNS AND REPORTS**

MR. KROEGER: Mr. Speaker, I would like to table the annual report of the Alberta Water Resources Commission.

MRS. OSTERMAN: Mr. Speaker, I'd like to file the terms of reference for the joint consultation committee between Alberta Social Services and the sixth division of the Alberta Union of Provincial Employees.

MR. RUSSELL: Mr. Speaker, I'd like to table the annual report of Athabasca University for '84-85.

MR. STEVENS: Mr. Speaker, on behalf of the Alberta Alcohol and Drug Abuse Commission, I would like to file copies of a brochure regarding methyl hydrate and copies of posters that have been developed about methyl hydrate. These will be widely distributed throughout Alberta and will be delivered to each MLA sometime in the next two days.

MR. ISLEY: Mr. Speaker, I'd like to file with the Legislative Assembly four copies of the manifest covering Executive Council travel for the calendar year 1985.

head: **ORAL QUESTION PERIOD****U.S. Bomber Testing**

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Minister of Federal and Intergovernmental Affairs. Last Tuesday I asked the minister if Alberta had been consulted about U.S. heavy bomber flights over this province, and he told me that, like me, he had read about it in the *Calgary Herald*. My question is: was that the first time the minister had heard about these particular tests?

MR. HORSMAN: Mr. Speaker, as it transpires, these tests are part of the global testing which takes place within the scope of the NATO and the NORAD agreements between Canada, the United States, and its other allies, and was not in fact a special test, which was the gist of the news story which I had read shortly before entering the Assembly. The overall global agreement had of course been communicated to me sometime ago, and this was just another of a series of tests which take place on a regular basis. So it had in fact been made known to the Department of Federal and Intergovernmental Affairs. In addition, as part of the normal reporting process, the Department of the Environment had been consulted some months ago relative to this particular test as a matter of course in the matter of the agreement

and understanding between the governments of Canada and Alberta.

MR. MARTIN: A supplementary question, Mr. Speaker. Is the minister saying that these weren't special, extra, besides what we had agreed to with NORAD and NATO? Am I led to believe this is part of an overall program?

MR. HORSMAN: That is correct. There are what they call global testing procedures which take place in Canada as part of the regular defence agreements between Canada and the United States. In this particular case, what was called for was the involvement of 25 aircraft, five at a time over a period of five days. The U.S. bombers would be the objects of search by defence aircraft on the part of the NATO and NORAD exercises.

MR. MARTIN: A supplementary question, Mr. Speaker. I believe you'll find that this was an extra request that was different. I have a letter that was delivered to Mr. Jim Fulton, Member of Parliament, from Erik Nielsen. He says clearly that in late 1985, as a result of the NORAD initiative, SAC headquarters established two additional low-level training routes. My question is: why did the minister then not tell us about this active involvement of the Alberta government in designing a bomber flight path when I asked him about consultation on Tuesday?

MR. HORSMAN: Mr. Speaker, at the time the question was posed, I did not have possession of all the documentation that had been made available to the Department of the Environment, and furthermore the final decision had not been arrived at relative to the test taking place. In fact, the hon. Leader of the Opposition is no doubt now aware that environmental impact studies had been requested as a result of the proposal, and therefore the matter had not been finally decided upon relative to the timing of the event.

I should advise members of the Assembly that the Department of National Defence has been very careful to advise the Department of Federal and Intergovernmental Affairs of the date and timing and corridors, et cetera, relative to testing of various flying objects over Alberta, and I assured the hon. member, as he will recall, that I anticipated that that type of consultation would also take place when the final date was decided upon by the Department of National Defence pursuant to its obligations under the treaties it has entered into.

MR. MARTIN: A supplementary question. When we're dealing with these matters, I'm not sure which minister to ask about it. I understood it would be this minister. It says, Mr. Speaker, that people "from SAC Headquarters and National Defence Headquarters ... met with Alberta and British Columbia environmental officials," and that happened in December 1985. Surely this minister should have been aware of that, and when I asked the question, we should have been brought up to [date]. My question is: what will the minister now do to get on top of these matters so that we can ask intelligent questions in this Legislature and get some answers?

MR. HORSMAN: Intelligent questions help, Mr. Speaker.

I would advise the hon. Leader of the Opposition that I said in my answer last week that when matters had been decided upon, as to the date and time of such events, the Department of Federal and Intergovernmental Affairs would

of course be thoroughly briefed on what was being proposed. That was part of my answer at the time.

MR. TAYLOR: A supplementary, Mr. Speaker, to the minister. Further to his comments about flying objects over Alberta and being well informed, has he got a complete report now on what happened in the cruise missile accidents in Alberta, and would he be prepared to make that public?

MR. HORSMAN: Mr. Speaker, that is a matter that took place sometime ago. The Department of National Defence held a briefing, which was a public briefing, following that last event. I will undertake to have for the hon. Member for Westlock-Sturgeon and other members of the Assembly the same information that was made available by the Department of National Defence at that time.

Royalty Rates

MR. MARTIN: Mr. Speaker, I'd like to direct the second question to the Premier. It flows from remarks he made during his estimates on Thursday. I'd like to just quote and come back to this particular quote:

... I think industry is then being unrealistic to continue to ask for massive royalty cuts.

He goes on to say:

If we did merely reduce our royalties and no additional activity resulted, what would we have gained? They might well have paid off their bankers, or large companies will have used the money to buy out smaller companies without providing either additional exploration or jobs.

That's on page 9.

Agreeing with the Premier's statement on that, my question flowing from that is: given the Premier's understanding of why massive royalty cuts don't seem to work — the government must have done an analysis of previous royalty cuts; for example, the \$550 million in June 1985 — does the government then have an estimate of how many jobs were created or, for that matter, saved because of that announcement?

MR. GETTY: I think it's a matter of record, Mr. Speaker, that once the Western Accord was signed, the industry immediately responded and was able to put on quite an active drilling campaign and was able to drill some 11,000 to 12,000 — I'd better not estimate the numbers. In any event, we had during late 1985 and early 1986 one of the most active drilling programs we've had in some time.

MR. MARTIN: A supplementary question. So the Premier is saying that there is no idea of how much was created by our royalty cuts? We don't have that analysis?

MR. GETTY: Mr. Speaker, when you're dealing in the private sector and with a risk/reward industry like the energy industry, which is the way we like to have it, individuals and companies make all kinds of decisions which will result in jobs and efficiencies and a variety of private-sector decisions. We believe in putting the incentives there. When you have the right balance of incentives for an industry, I think you get the right reaction; in this case, a great deal of activity and obviously lots of jobs were provided. But I think it would be unrealistic to try and make a particular estimate of the number of jobs.

MR. MARTIN: A supplementary question, Mr. Speaker, in view of the Premier's statements on Thursday night. We did have a half billion dollar annual cut in '85, and that was followed by \$5.4 billion in cuts between 1982 and '85. Has the Premier any evidence at all then that these what I would consider massive giveaways were not a major waste of public money which benefitted only large companies and not the provincial economy? Do we have any evidence at all that this money wasn't wasted?

MR. GETTY: Yes, and the evidence, as I just described to the hon. Leader of the Opposition, Mr. Speaker, is that before the energy crisis turned down and with the conditions which I described of removing most of the negative impact of the NEP and lowering the province's royalties in a balancing way to provide the right number of incentives — it wasn't a massive giveaway; it was in fact the provision of incentives, the sharing of energy revenues. It's always a balance. It's a judgment you make that the owners, the people of Alberta, take a certain share and industry takes a certain share. If you get the balance at the right level, you will find that both sides win in the long run. Industry is very active. They are able to make profits, and the people of Alberta, through their government, enjoy a high level of activity, high levels of royalties, land sales, exploration, seismic work, and development drilling. I'm sure that in this case all of those things happened.

MR. MARTIN: A supplementary question. It would be nice to more than "I think." We were trying to get some evidence. The Premier also confirmed that many of the smaller companies don't pay royalties at all, and that's what we were talking about at this particular time. But I also remind, as the Premier is well aware, that they don't pay PGRT either, and the government admits that they are taking up drilling incentives. My question is this: has the Premier at the very least commissioned a study of how a nationally negotiated floor price could be of some actual help to the smaller companies?

MR. GETTY: Mr. Speaker, it's not something that we would be doing a study on. We're working on certain options that we think are more favourable. I discussed them in the Legislature during my estimates and should remind the hon. member, when he talks about small companies, that small companies are trying to become big companies. They might well move out of the area in which they are now not paying royalties or PGRT into an area where they would. We want to always try and balance the incentives so that they will constantly try to grow and develop. I think that's the real art with your royalty system: make sure that you hit that balance of the right amount of incentives to industry so that they will take the risk — that's the important part — and explore and develop these reserves, yet make sure the people of Alberta, who are selling a nonrenewable resource which will be gone forever, also get an adequate return for that resource.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Premier. I'm having trouble understanding his claim that reduced royalties accounted for the large amount of drilling early this year when every recognized authority has said that the large amount of drilling was due to the fact that the national energy policy was expiring at the end of March, that their grant of 30 percent off for drilling was causing

extra drilling, and that the royalty cut he put in was throwing away money. How can he justify that?

MR. GETTY: No, Mr. Speaker, he's not right. It was a move by both the federal and provincial governments in signing the western energy accord that I believe resulted in the high level of activity. It was not dollars thrown away at all. When those moves were made, we had a very healthy, strong, expanding energy industry. It is the drop in prices which has slowed that down again. However, we hope that with helping the industry through this short-term period of adversity, trying to assist them in every way possible, and trying to have the PGRT removed, which is so important ... It's kind of nice to know that we now have the support of the Liberal Party in removing the PGRT, and it was nice to hear in my estimates the other night that we now have the support of the NDP. It's nice that they have reversed themselves and joined us, because the one consistent position with the PGRT was this government and the Conservative Party wanting to remove it. We welcome the new support from both parties.

MR. NELSON: Mr. Speaker, I have a supplementary to the hon. Premier. Could the Premier indicate if the PGR tax and other energy related matters will be on the agenda when the government caucus meets the Alberta federal caucus on Thursday of this week?

MR. GETTY: Mr. Speaker, I would think the agenda will provide lots of opportunity for discussion of co-operation between the provincial and federal governments and discussion of the economy and two very key matters: energy and the PGR tax, which the hon. member has raised — and it will be discussed — as well as all the areas in agriculture where we feel Alberta needs further federal assistance. At that meeting of Alberta MLAs and MPs that matter would certainly be on the agenda and discussed.

Natural Gas Exports

MR. TAYLOR: Mr. Speaker, to the Premier. It's with some regret that I have lost my title as the best joke teller in the House after that last question. [interjections] It sounds like feeding time at the zoo.

In view of the Premier's statement on cutting off some gas exports if prices fall too far and bearing in mind that cutting off some buyers and not others is contrary to the Constitution, is the Premier considering a system of prorationing whereby presently reduced gas and oil markets would be shared equally amongst all producers?

MR. GETTY: Mr. Speaker, I might say that in the matter of jokes, the hon. Member for Westlock-Sturgeon has certainly provided some. I didn't know that he had given himself the title of the best joke teller, because over here we haven't.

In the area of gas removal permits, as I said earlier, we certainly have to fulfill the responsibility that is given to us under legislation: to make sure our resources are not sold at a wastefully low price. We will have to continue to do that. I don't know whether the hon. Member for Westlock-Sturgeon is arguing that we should default on that responsibility and sell the resource below fair prices. If he is, I'd like to hear him state that. Following the events of the weekend — I think that one of his colleagues has said

we absolutely should sell at fair prices — I'm glad to have him on side as well.

MR. TAYLOR: Mr. Speaker, a supplementary. There's one difference between his party and mine: we tell jokes; you elect them.

Is the Premier aware that in the '60s and '70s, when there were similar world surpluses of oil, Alberta used prorationing to keep prices up and to share markets equally? In other words, I think I'm making a constructive suggestion, Mr. Premier.

MR. GETTY: The suggestion of prorationing of natural gas is one that the government has asked the conservation board to look at. I can remember that being considered several times back in 1975 to '79. It is something the conservation board looks at continually. But back in the years '75 to '79, upon looking at it and talking to industry about it, they recommended to us that it not be considered. That was also a time when there was surplus gas, wells shut in, and only certain companies had a share of the market. Because of the long-term nature of the contracts, there were companies that had, for instance, 20-year debentures tied into gas sales contracts, and they felt it would be dramatically changing the rules on those companies and probably causing them to default on some of their debentures and things like that. The recommendation was that natural gas did not fit prorationing. As members know, oil is sold on a month-to-month basis, and prorationing fits there because it isn't a long-term contract.

However, I understand the point the Member for Westlock-Sturgeon is trying to make. As I said, it would be something that from time to time the conservation board would consider and report to the government on.

MR. TAYLOR: Mr. Speaker, a supplementary to the Premier. I'm glad you are because I think it's constructive, and times have changed.

In view of the failure of the Premier and the Minister of Energy to get the PGRT returned to Alberta, would you at least approach the Prime Minister to see whether or not the revenue raised from the PGRT could be used to help western oil producers?

MR. GETTY: As I said in my estimates the other day, Mr. Speaker, it is necessary to remove the PGRT, because it doesn't make much sense to be trying to develop other assistance programs for our energy industry at the same time that money is being taken from them. It really doesn't make sense to have that tax in place and still try to help them while you're hurting them with the other hand. I think it's far more appropriate to try and have the tax removed and then develop the programs that would help. The point made by the Member for Westlock-Sturgeon that we would allow them to tax the money and then have it flow back in some way, sort of balances off an unfair tax, but I think by far the preferable way would be to remove the tax altogether.

In that regard, I talked along those lines about energy matters this morning with the Prime Minister, as a matter of fact. We are meeting with the MPs on Thursday, and we will be able to report to them in a very positive manner that we now have both the Liberals and the NDP supporting us in this regard. While it is a reversal, it's a nice change.

MR. TAYLOR: A final supplementary. I agree it doesn't make sense, but it still makes more sense than the whole

Western Accord. I'd like to ask the Premier: has any representative of the federal government told the Premier that they would not consider taking off the PGRT unless the Alberta government puts in a sales tax?

MR. GETTY: No, Mr. Speaker.

MR. PASHAK: To the Premier, Mr. Speaker. How does the Premier intend to restore investor confidence after having threatened to cut off gas exports?

MR. GETTY: Mr. Speaker, it was interesting that in discussing the responsibilities the government has in terms of our leases and legislation to prevent waste of a resource, some have managed to construe that as cutting off supplies to the east, turning off the taps, and things like that. I don't think anybody who was sitting in the House, other than perhaps the odd person in the gallery, could have drawn that inference out of my comments. We will continue to fulfill that responsibility. Anybody who wants to participate in the oil and gas industry in Alberta realizes that responsibility is there. If someone was coming merely to somehow scrounge natural gas at a cheap, wasteful price that we would be forced not to allow to happen, then they aren't the people we want in the industry. But if people seriously want to participate in Alberta's oil and gas industry, all the incentives are there.

Over the years we have had reports from the United States, Great Britain, Australia, and Japan that this is a tremendous place to invest in the oil and gas industry because of the solid policies that make it such a good spot for investing. Of course, many Albertans, as well as other Canadians, along with those from other countries have made a very good living, have built fortunes and companies, and that's going to happen in the future.

Canada/Alberta Tourism Agreement

MR. STEVENS: Mr. Speaker, my question is to the Minister of Tourism, and it relates to the Canada/Alberta tourism agreement that was entered into last summer. I understand that his department began accepting applications in November. Could the minister update the House as to the progress of the program and what uptake, if any, there has been with respect to applications since November?

MR. FJORDBOTTEN: Mr. Speaker, the response has been very positive to this point, coming from tourism operators, associations, and municipalities. We have sent some 3,000-plus information kits all across the province. A number of applications were approved in May by the federal minister responsible and myself, and we now have another group of them just about ready to be announced publicly.

MR. STEVENS: A supplementary, Mr. Speaker. Given the minister's answer, has he, with or without his federal counterpart, considered concerns that have been raised with respect to the complexity of the applications? Is he giving consideration to having these applications or the process itself streamlined, given the 3,000 applications that have been received to date?

MR. FJORDBOTTEN: Mr. Speaker, I am very conscious about application forms. No one likes them particularly, and we want to keep them as simple and as concise as possible and still get the minimum amount of information

we need to process the applications. I have received no complaints whatsoever about the application forms. I'm always open to suggestions on how we might improve them, but as I said, there have been no complaints to this point.

The turnaround time is one area that we're trying to improve. Our target is about 60 days for a turnaround time after receiving a complete application. It's running about 75 days now, and we'd still like to get that back to a target of about 60 days.

MR. STEVENS: A supplementary, Mr. Speaker. My constituents will appreciate the minister's response. Some additional concerns have been brought to my attention. A concern is that the applicant is required to spend a disproportionate amount of the grant on consultant study rather than on the project itself. Could the minister clarify whether this is required or not?

MR. FJORDBOTTEN: Mr. Speaker, the federal/provincial agreement makes allowance for feasibility studies, but they're not mandatory. A company or an association that wishes to move forward may apply for a feasibility study and use that. They may wish to use their own in-house. Most of them do that in order to qualify for the application process. Certainly I would be as disturbed as the hon. member or anyone if a disproportionate amount were used on feasibility studies.

MR. STEVENS: A final supplementary, Mr. Speaker. There is some concern among smaller operators that the financial assistance is available only to the larger operators in the province. A case in point is the nearly half a million dollar grant to the Banff Springs Hotel. My question to the minister: are small to medium-sized operators having any success in accessing this program?

MR. FJORDBOTTEN: Mr. Speaker, certainly. You don't have to be a major operation to receive funding under this agreement. The major criterion that is established to allow for funding is whether the project will appeal to national and international visitors and whether it will do something to enhance or target an increase in international visitors. The hon. Member for Banff-Cochrane also has some others in his area which are very small operations, as many other members do. I personally feel that they are the ones that should receive the greatest amount of consideration.

MR. TAYLOR: A supplementary to the minister, Mr. Speaker. Could he give us what the smallest grant is that has been approved, just to lay this rumour to rest?

MR. FJORDBOTTEN: That's an excellent question. I'd have to go back over it. I recall there was one at Priddis for some \$26,000. There are some even lower than that, I believe. I'd have to go back over the number that have been approved and the ones that have come in. Whatever the project is that will enhance national and international visitors, it certainly shouldn't have to be a large sum of money to qualify. I think the small momma and poppa operators in this province are the ones that we want to see succeed.

Government Employment Guidelines

MS LAING: Mr. Speaker, the Minister of Social Services was not here last Friday when questions were asked about a September 1985 memo from her deputy minister, Mr. Ozerkevich. Does the minister now intend to revoke the

supplementary guidelines which treat Social Services' employees so paternalistically, particularly regarding membership in groups?

MRS. OSTERMAN: Mr. Speaker, the memorandum in question is under discussion by a special working committee in the department which includes union members.

MS LAING: Mr. Speaker, what possible reasons can the minister have to support keeping in any way, shape, or form these very restrictive guidelines and the atmosphere of fear that they create?

MRS. OSTERMAN: Mr. Speaker, as I have been given to understand, the guidelines were created last year in an endeavour to make sure that employees understood possible conflict-of-interest situations. I would say once again that those guidelines are the subject of discussion by a working committee.

MS LAING: Mr. Speaker, in the past few days we've seen several examples of the minister's department being out of control. Will the minister indicate what action she has taken to make certain all departmental bureaucrats are communicating official departmental policy only?

MRS. OSTERMAN: Mr. Speaker, I'm not sure how often I have to say it. The particular memo the hon. member is referring to is a matter of discussion between management and union employees.

MS LAING: Mr. Speaker, to the Premier. I'm concerned this department may not be the only one with supplementary unconstitutional guidelines. The Premier is no doubt reviewing this situation in all departments. Would he indicate how widespread such situations are and explain procedures he will be introducing to ensure that deputy ministers and other bureaucrats are not arbitrarily dictating to employees in such dangerous ways?

MR. GETTY: Mr. Speaker, it is true that after the Charter was declared, the government, under the leadership of the Attorney General's department I think it was, had a total review of all legislation to make sure that it was in some ...

MR. MARTIN: Missed that one.

MR. GETTY: Yes, I know. Let me finish.

MR. MARTIN: Just helping you.

MR. GETTY: Who needs help?

In any event, Mr. Speaker, since I didn't mention this last week, I thought that I should confirm to the House that all of the legislation was reviewed to make sure it was not in conflict with the Charter. Such matters as the member raised with the Minister of Social Services today and were raised last week are things that are constantly reviewed. As the Minister of Social Services has said, the one is now being reviewed by a group involving the union. I'm sure that review will lead to a type of code that would best meet the needs of both the people of Alberta, represented by their government, and the employees. We have a high level of efficiency and capability in the public service in this province, of which we're all very proud. I'm sure that all of the deputy ministers and others are constantly reviewing

these matters to make sure their relationships with their employees are handled in the best way possible.

MRS. OSTERMAN: Mr. Speaker, may I just supplement the hon. Premier's answer? I believe it's obvious that the opposition has not delved into a number of matters very thoroughly; otherwise the matter might've been raised quite differently.

The joint consultation committee to which I referred in the terms of reference which I filed in the Assembly today was established pursuant to a collective agreement. That joint committee had raised some concerns about the memorandum in question last fall. It was the subject of discussion at a November meeting, at which time there was an undertaking made by the union representatives to come back with the specifics of their choice of wording and so on to be made available to the deputy minister. Unfortunately, for whatever reason, the members have not yet been able to bring forward that information. This committee will deal with many matters that obviously should be resolved when questions are raised by the membership, by employees, that they are concerned about. I am very pleased that we have such a committee. For the hon. member to be intervening in an undertaking by the union people is absolutely deplorable.

MR. MARTIN: We're just trying to help you do your job.

MRS. OSTERMAN: Why don't you let your members do their work? You really don't think they're capable?

MR. MARTIN: I don't think you're capable.

MR. SPEAKER: I wonder if hon. members would care to adjourn to the lounge and have a cup of coffee and carry on the discussion?

Part of the difficulty with long answers is the matter of long questions, some which are very argumentative. There's room for a final supplementary by the Member for Edmonton Avonmore if it's very brief.

MS LAING: I'm wondering if the minister would not indicate — and I realize that she's ...

MR. SPEAKER: Excuse me, hon. member, would you ask the question, please.

MS LAING: Is it true that the minister was a charter member of the Human Rights Commission?

MRS. OSTERMAN: It's a matter of public record.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Premier. Will he take his minister out to the woodshed and tell her that this is a matter of principle not administration? Surely it doesn't have to be reviewed. He knows the difference between right and wrong on this issue.

MR. SPEAKER: The Chair hesitates to interject once again, but perhaps the Chair and the Member for Westlock-Sturgeon could adjourn to the woodshed. That's the fourth time this afternoon that the member has referred to "you" instead of dealing with the impersonal form. I'd put the form of correction in debate, please.

Social Allowances

MRS. HEWES: Mr. Speaker, my question is to the Minister of Social Services. The newly defined poverty line set by the National Council of Welfare places an Edmonton family of four on social assistance at \$6,619 below the poverty line. Will the minister be increasing basic social allowance rates in light of these disturbing figures?

MRS. OSTERMAN: Mr. Speaker, social allowances are calculated based on basic costs of what we believe to be the fundamentals: food, clothing, and shelter. Of course, there are a number of other allowances besides. Not calculated in that is the monetary worth of medical and other associated areas that are covered. So in looking at costs, we do not develop social allowance on the basis of its relativity to incomes across Canada.

MRS. HEWES: Mr. Speaker, a supplementary to the minister. Does the minister believe that distributing 5,000 manuals from the Edmonton Social Planning Council will in fact be effective in informing and reinforming social assistance applicants of their entitlements?

MRS. OSTERMAN: Mr. Speaker, as a result of efforts made with the two major food banks in the province — in Edmonton and Calgary — and in looking at some of the problem areas with respect to those who were accessing food banks, one of the major causes was judged to be a lack of information and what services were available from Social Services, especially in the emergency area. Because the manual the hon. member has just spoken about is a very good manual, we believed that that was one of the most important things that could be distributed because in fact there was judged to be a lack of information.

MRS. HEWES: Mr. Speaker, 5,000 will hardly do the trick. Will the minister at least discontinue the draconian practice of deducting utility debts and other payments from much-needed food, clothing, and household personal allowances: the system of recoveries?

MRS. OSTERMAN: Mr. Speaker, it is always a very difficult area when it has come to light that an overpayment or other circumstances have prevailed where moneys have flowed and they should not have. In instances where there is extreme hardship, it's obviously not always possible to collect, and those circumstances have to then be judged on an individual basis.

MRS. HEWES: Mr. Speaker, to the minister. So it comes off what has already been assigned as the absolute minimum they need to survive on. Will the minister explain to the House why social assistance support payments for children are substantially, less than support payments for children in foster care? The 1985 rates put a boy of 10 at \$140 on social allowance. The same boy of 10 in foster care gets \$311.

MRS. OSTERMAN: Mr. Speaker, there are a number of things that enter into any foster care arrangement. Those foster parents who take on this responsibility don't necessarily plan for that ahead of time. There would be a portion of their home used for foster care that wouldn't normally be needed had they not taken on the foster care responsibility. So when we take a look at what's allowed in the shelter

area for a family, for instance, that is judged on the size of the family. Obviously, it would differ depending on the size of the family.

MRS. HEWES: One hundred and seventy dollars a month?

MS MJOLSNESS: A supplementary question to the minister. There seems to be some discrepancy in terms of the amount of money allocated to meet basic needs, and I'm wondering if her department is initiating any type of comprehensive cost-of-living study to determine how much money people should be getting to meet those basic needs?

MRS. OSTERMAN: Mr. Speaker, I think it is well known how the figures are arrived at with respect to the three basic areas that are allowed for in social allowance. The same calculations have been used for some period of time and percentages added depending on the types of figures that come in with relation to food, clothing, and shelter. The area of shelter allowance, for instance, has changed over time. If that area were to go up, if there would be a change in the marketplace, then obviously that particular area would be raised.

Mr. Speaker, in the discussions that are ongoing with the two major food banks, the precise amount that is being allocated to social allowance recipients has not been a matter of any kind of discussion that I am aware of. There is more concern about the information as to precisely what's available being made known to the public so that people can access it. The actual amounts have not been called into question.

North West Trust

MR. McEACHERN: Mr. Speaker, my questions are for the Treasurer. Last week I raised some questions in this House about the late filing of North West Trust's financial statements and the amount of public money which has been sunk into supporting this company and its direct corporate associates. Has the Provincial Treasurer instructed his officials to tabulate the total value of public support packages which have to date gone to this trust company and its horizontally integrated associates through the Treasury Branches?

MR. JOHNSTON: Mr. Speaker, the member did raise that question last week, and at that time I believe I indicated to him that in matters of commercial transaction between the Treasury Branch and Treasury Branch clients, I must of course maintain confidentiality. I know there have been certain media speculations about the size of the Treasury Branch investment, but I can only underscore the point that those are in fact speculations.

MR. McEACHERN: A supplementary, Mr. Speaker. Can the Treasurer assure the Assembly that as much as 15 to 20 percent of the Treasury Branch loans portfolio is not tied up in the North West group of companies?

MR. JOHNSTON: Again, Mr. Speaker, it would be difficult for me to deal with those kinds of data since in fact I'm not sure just what form or size the Treasury Branch may have with any particular client. It is for the Treasury Branches themselves to decide the merits of investment. They alone make that decision.

MR. McEACHERN: A supplementary, Mr. Speaker. It's a matter of public record that it's somewhere between \$600 million and \$700 million, and the 1985 annual statement says that the Treasury Branch has assets of [\$4.2] billion. That's around 15 percent. The public has the right to know whether that is or is not the commitment of this government to this company with the taxpayers' dollars.

MR. JOHNSTON: Mr. Speaker, there's no question the Treasury Branch has been one of the key successes of this government in the last 10 years, and we'll continue to use the Treasury Branch to sustain the capital markets, to provide needed assistance to small business to expand the size of the loans outstanding. As a matter of fact, the Treasury Branches are the 20th largest financial institution in this country. It's a marked success, and I appreciate the efforts undertaken by the Treasury Branches.

MR. McEACHERN: A supplementary, Mr. Speaker. Is the minister trying to say that he will sit by and let the Treasury Branch go down the tube with North West Trust?

MR. JOHNSTON: That's absolutely misleading, Mr. Speaker, and I suggest he withdraw that.

MR. SPEAKER: Hon. member for Edmonton Kingsway.

MR. McEACHERN: That was the final supplementary, I believe.

MR. SPEAKER: The hon. minister has asked about withdrawing with respect to the comments made.

MR. McEACHERN: I'm supposed to withdraw what? I merely asked him if he is going to sit by and watch the Treasury Branches go down the tube with North West Trust.

MR. SPEAKER: This has become a matter for some perusal of the Blues.

The time for question period has expired.

ORDERS OF THE DAY

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

MR. PASHAK: Mr. Speaker, I rise to seek the unanimous consent of the Assembly to waive the normal notice and other requirements of the *Standing Orders* so that the following motion may now be put:

Be it resolved that the Legislative Assembly urge the government of Alberta to convey to the government of Canada its opinion that the petroleum and gas revenue tax ought to be completely removed as quickly as is possible.

Mr. Speaker, I have copies of the motion for all hon. members. [interjections]

MR. SPEAKER: Perhaps the Member for Calgary Forest Lawn would be good enough to read the substance of the motion so that all parts of the House might give it consideration and then the motion might be distributed. Just the bare words of the motion.

MR. TAYLOR: Make sure you spell PGRT for them.

MR. PASHAK: Okay.

That the Legislative Assembly urge the government of Alberta to convey to the government of Canada its opinion that the petroleum and gas revenue tax ought to be completely removed as quickly as is possible.

MR. HORSMAN: Mr. Speaker, this request to waive the entire provisions of *Standing Orders* to permit a debate on a motion and a resolution immediately in the Assembly is very unusual. While the government would not want to see this accepted as a precedent, in view of the thorough answers given today by the Premier as to the government's policy, on the part of the government we will provide our consent, in any event, and welcome the unanimous support of the Assembly for the government's policy. [interjections]

MR. SPEAKER: Perhaps we could have the debate on the motion a bit later. The hon. Member for Calgary Forest Lawn seeks the unanimous consent of the House to waive the normal notice and other requirements of *Standing Orders* in order that he may put forward a certain motion for the Assembly's consideration. Would all those in favor of granting unanimous consent, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no. Unanimous consent is granted. Would the hon. member please proceed.

HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question.

[Motion carried]

head: COMMITTEE OF SUPPLY

[Mr. Musgreave in the Chair]

MR. DEPUTY CHAIRMAN: The Committee of Supply will come to order.

Department of the Attorney General

MR. DEPUTY CHAIRMAN: Would the hon. Minister like to make some opening comments?

MR. HORSMAN: Mr. Chairman and hon. members, it is my honour and pleasure today to stand before you as the 14th Attorney General of the province of Alberta, an office which has been in continual existence since the First Legislature of the province of Alberta. May I at this time offer my congratulations to you, Mr. Chairman, as you assume a new responsibility in the Assembly, and also to the Deputy Speaker in his role as Chairman of Committees.

At the outset I think it may be of some value to make some observations on what I perceive to be the role of the Attorney General. The assumption of any new portfolio involves of course a relatively intense learning process, and I can honestly say that my orientation to the Attorney General's office has been most interesting and thought provoking.

While the Attorney General is certainly a central figure in the administration of justice — indeed, he is charged by statute with the superintendence of all matters relating to the administration of justice in Alberta — he is by no means the only player. The Constitution Act of 1867 is perhaps a useful starting point. By section 92(14) the Legislatures of the provinces were given exclusive jurisdiction to make laws in relation to

the administration of justice in the province, including the constitution, maintenance, and organization of provincial courts, both of civil and of criminal jurisdiction, and including procedure in civil matters in those courts.

By section 96 of the Constitution Act of 1867 the federal government is required to

appoint the judges of the Superior, District, and County Courts in each Province . . .

In Alberta these courts have been amalgamated in the Court of Queen's Bench.

Whether the appointment of judges is done by the province or the federal government, there is one overriding principle that the Attorney General and the government must respect, and that is the independence and integrity of the judiciary. Judges are not civil servants subject to the direction of the executive. They must be free to act totally in the interests of justice without bias or prejudice and without having to worry about whether their judgment finds favour with the government of the day.

In Alberta a judicial council established under section 10 of the Provincial Court Act is utilized in the selection of judges for the Provincial Court. The members of the judicial council include the chief justices of the Court of Appeal and Court of Queen's Bench, the chief judge of the Provincial Court, the president of the Law Society of Alberta, plus two laypersons chosen annually by the Attorney General.

It is the policy of this government not to make any judicial appointment without the prior recommendation of the judicial council. This system works well. In fact, last August the Canadian Bar Association in the committee report on the appointment of judges in Canada recommended that other provinces adopt a judicial council process similar to that of Alberta to ensure the selection of independent judiciary.

The Attorney General may publicly state his views on issues dealing with the administration of justice. For example, he may choose to voice his support for increased enforcement of impaired driving offences or even go so far as to indicate that harsher penalties may be an important part of solving the impaired driving problem, as I believe. However, the judiciary are not bound to take their direction on any issue from the public statements that I as Attorney General might make.

Neither is the Attorney General a policeman. Under the Department of the Attorney General Act and the Police Act, he is responsible for the administration of justice and the enforcement of those laws which the government of Alberta is required to enforce. In view of this authority he may be instrumental in developing the priorities for policing in the province and may, quite properly, from time to time provide direction to law enforcement agencies and the interpretation of the law and related procedures. In doing so, he may in some cases act in concert with the Solicitor General, who has broad responsibilities in the area of policing.

The business of investigation belongs to the police. The Attorney General, through his agents the Crown attorneys, offers advice and assistance in relation to legal issues that

may be involved in an investigation or may assess the viability of the evidence gathered and offer advice on the correct charges to be laid.

Mr. Chairman, I get the impression that a considerable number of people have confused the role of the Attorney General with that of the typical American district attorney as portrayed on television. Our functions are really very different. I want to stress that it is neither my role nor my responsibility to initiate investigations of individuals, companies, churches, organizations, or other components of our societal structure without complaints and concerns having originated elsewhere in society.

With your indulgence, Mr. Chairman, I would now like to outline some of the programs that are currently under way in the Department of the Attorney General. On February 1 of this year the Alberta maintenance enforcement program got under way. In simple terms, the program was designed to assist in the collection of moneys owing to spouses under court order for maintenance and/or child support. This highly computerized operation has already demonstrated tremendous cost savings over the old system. To date the program has collected approximately \$900,000, and the system is very effective, having collected more than 90 percent of the registered claims so far. By March 31, 1987, we expect that the total collections during the first year of operation will be several millions of dollars. This will represent a saving to taxpayers, since less money has to come out of the public purse for welfare and other social assistance. Instead, the responsible spouse will be paying a fair share for the support of the other parent and their dependants. I might also say that we are co-operating with the other provinces and many of the United States to ensure that through reciprocal enforcement, there are fewer safe havens for irresponsible spouses who would otherwise ignore their obligations.

Working in co-operation with law enforcement agencies and the Department of the Solicitor General, we have undertaken the comprehensive alternative measures program as contemplated in the federal Young Offenders Act. The basic idea is to identify young, first-time offenders who have been involved in relatively minor offences. The police will identify such offenders as possible candidates for the program and refer the matter to the Crown attorney's office for further review. If the Crown attorney agrees that the young person is a suitable candidate, the file will be forwarded to the Solicitor General's department with a recommendation that a probation officer interview the young person and design a community work program of some type. The offender must enter into an agreement to complete the work assigned within a certain time frame. For example, the agreement may provide that the offender must apologize to the victim, do personal service work for the victim or the community, provide monetary compensation to the victim, or attend a correctional centre visitation program. If the program is successfully completed, the offender will never be formally charged with the offence and need not go through the court process.

From its inception on April 1, 1985, to the end of the last fiscal year, March 31, 1986, 1,397 young persons were referred to the program. This program has many advantages over the usual court process. It obviously takes some of the workload off the courts. It obligates a young person to acknowledge the wrongdoing and suffer the consequences of those actions while being given a break with respect to a criminal record. The basic idea is to divert young offenders out of the system and provide counselling and other support

to ensure that they are not repeat offenders. We are so encouraged, Mr. Chairman, by the success of this program that we are considering expanding the basis for qualifying for the program to include some provincial offences and other minor offences under the Criminal Code.

Mr. Chairman, in announcing his new cabinet on May 26, the Premier gave me as Attorney General responsibility for the native affairs legal unit. In conjunction with the civil and constitutional branches of my department, this six-person unit will provide the necessary legal and related support services to the government and its various departments on native legal matters. The addition of this unit will assist in providing further support to me as Minister of Federal and Intergovernmental Affairs. In that role I am the minister for Alberta responsible for the ongoing federal/provincial constitutional process relating to the aboriginal peoples of Canada. In that respect, my responsibilities as Attorney General will nicely complement my responsibilities as Minister of Federal and Intergovernmental Affairs. Mr. Chairman, it should be noted that the program and field services element, which comprises the major portion of the native secretariat, has been transferred to my colleague the hon. Minister of Municipal Affairs.

As many of you are probably aware, one of the functions of the Public Trustee's office is the official guardian's role. This involves looking after the estates of minors. There has been some concern among the public and legal community because the official guardian had offices in Edmonton only. It is our intention to provide this service for the judicial district south of Red Deer out of the Calgary office, with the target date of October 1 of this year. It is expected this decision will permit improved accessibility and efficient and responsive delivery of related services.

I'm pleased to inform the hon. members, Mr. Chairman, that the final conversion from manual to electronic records at the personal property registry will be completed before month's end. This will bring the registry fully into the '80s, through computerization of its services. Where it might in the past have taken up to 30 days for the return of documents following registration, the time has now been cut to seven or eight days. The new computer installation also has permitted the registry to provide same-day service for searches, which under the manual system used to take up to eight days for completion. I want to point out that this streamlining of service to the public was accomplished during a year when the registry handled a 16 percent increase in registration and search requests over the previous year's volume. Furthermore, in a continuing effort to improve our service and respond to the needs of southern Albertans, my department is establishing a telephone search unit in the Calgary office. When this unit commences operations this summer, it will provide the convenience of more rapid search to the general public and to members of the Bar.

An area of legislative initiative that may be of interest is that involving personal property security legislation. Some of you will recall that in June 1985 the Alberta government placed Bill 73 before this Legislature. This was the new personal property security Act. In recognition of the need for broadly based consultation with the groups and agencies which would be affected, Bill 73 was allowed to die on the Order Paper. We have since received a great deal of input on a number of issues involved in the legislation and are expecting a response from a joint committee of the Alberta branch of the Canadian Bar Association and the Law Society of Alberta. We therefore are not in a position to reintroduce the legislation this time but anticipate rein-

troducing it in amended form at a subsequent session of the Legislature.

Mr. Chairman, I've said on many occasions and will repeat again that Albertans currently enjoy what we believe is one of the finest land titles related services of any of the provinces. Notwithstanding this, there are significant refinements and improvements being made through the land titles automation project. This project will involve the development of a system to replace the current paper certificates of title for patented land in Alberta with a computerized record. Registration of documents affecting land and information retrieval will be processed through the automated system. The main benefit will be improved access to ownership information by both the public and private sectors. The system will have the capacity to search the entire provincial data base or specific geographical areas by a variety of parameters to obtain compiled information.

Mr. Chairman, it will be my great pleasure in late September to participate in the opening of two new court facilities in southern Alberta. Especially gratifying to me will be the opening of the new courthouse complex in Medicine Hat. I will share the pride of my constituents and colleagues in that legal community in not only our modern new courthouse but in preservation of one of the south's — and I believe Alberta's — most impressive and imposing historical sites, the old courthouse, which was opened in 1919.

Mr. Chairman, in just taking a moment to describe the history of the addition to the court facilities, I won't go into the long, involved issue of the proceedings regarding the acquisition of the land required for the extra building. Suffice it to say that it was my determination and that of the historical society and others concerned with history to preserve the integrity of that fine building. When the proposal to add on to that building was advanced, I was more than a little apprehensive. However, with the co-operation of the fine manufacturers of brick in Medicine Hat, they were able to duplicate the brick, find sandstone which matched the sandstone of the original building, find the manufacturer of the original roof tile and, indeed, were able to add on a portion to the building so that it is almost impossible to determine where the old leaves off and the new begins.

Mr. Chairman, it costs some extra money to do that, but I can assure hon. members of the Assembly that we must preserve our traditions. I am pleased we were able to do so in Medicine Hat, for too often we have torn down our past in the name of progress. In some instances, of course, older structures are beyond repair, but I am pleased that that was not the case in Medicine Hat.

Nor was it in Calgary, where the historical significance of the original courthouse was recognized. Built in 1913, one of Calgary's fine sandstone buildings, it has been restored and modernized and will officially return to service as the Court of Appeal for southern Alberta on September 26 of this year. It was on June 30, 1961, that I was called to the Bar in that very courthouse by then Mr. Justice Milvain, who I hope will be with us as a retired judge when both these court facilities are opened again for service to the public in the fall of this year.

In conclusion, Mr. Chairman, I wish to underline that the Attorney General's department is a multifaceted operation and that the administration of justice involves much more than the prosecution of criminals, although I mean in no way to downplay this important function. The budget estimates for the 1986-87 period total \$146,281,231, which places the department 16th in the ranking of departments

in terms of total expenditures. With 2,413 permanent full-time positions, the department is the fourth largest in terms of manpower. The department is a provider of services to the public of Alberta; the budget estimates reflect what is needed to maintain acceptable levels of service in our diverse and complex areas of responsibility.

Mr. Chairman, the administration of justice is a cornerstone of our democratic way of life. I remind hon. members of my opening remarks, in which I indicated what I believe my role as Attorney General should be: that I'm responsible for the administration of justice; that I am not an investigator or a policeman and I do not intend that to be the role of the department while I am responsible for its operation and administration within our government. Therefore, I ask that hon. members maintain that perspective in assessing the estimates before them.

Thank you for your kind attention. I will be pleased to answer questions that are asked of me during the course of the estimates today.

MR. WRIGHT: Mr. Speaker, on behalf of the Official Opposition, I'd like to compliment the Attorney General on the assumption of his portfolio. I know he will acquit himself well in that portfolio, based on his reputation at the Bar and elsewhere. If I may respectfully say so, the Attorney General is one of those portfolios overlooked in the public mind, in that matters of the moment do not often occur within it. It is a sort of fabric that overlies the administration of justice in all departments and, as such, has a fundamental importance which I know the Attorney General will not overlook.

Dealing with a few of the points in his introductory remarks, Mr. Speaker, he speaks of the judicial council of the province, which has been recommended by the Canadian Bar Association to other provinces as a model, and so it should be. It is a lot better than the federal government has in place for the selection of judges of the Superior Court. Perhaps it wasn't clear to hon. members that of course that judicial council sits only in respect to the provincially appointed judges. But if it is the case, as the Attorney General said, that no judicial appointment occurs without the concurrence of the judicial council, and literally it is the case, I'm sure that the Attorney General would not wish to be misleading in the impression left that the recommendations of the judicial council are always acceded to by the Attorney General. It is not always so, unfortunately.

Not only does the judicial council make a recommendation of a list of candidates worthy to choose from, but it also ranks them — at least it usually gives its number one choice. In the past — and I may say with regret in the fairly recent past, although not in the life of this Legislature, Mr. Speaker — that recommendation has been disregarded and at least one appointment I know of has been made from entirely outside the ranks of what was recommended, admittedly after a meeting of the judicial council had been summoned and the candidate run past it.

That has to stop, Mr. Speaker. It lends itself to the intervention of politics in the selection of provincial judges, which we all know is of paramount consideration as a threshold requirement before federal judges. It lends itself to political considerations, which the creation of the judicial council is calculated to get away from.

The next point in his introductory remarks concerns the Attorney General's new function in making recommendations to provincial judges on the matter of sentencing. He speaks on policy and uniformity, of course, which is a good thing.

I urge the Attorney General to encourage the provincial judges to make more of the work option and community service as a condition of parole; in other words, making the punishment fit the crime. This requires more work on the part of the provincial judge, of course, but is all the more worth it, because (a), it leaves something positive when the sentence is finished, and (b), it relieves prisons of their burden in the meantime.

The other thing, which I had occasion to mention a little while ago in the House, is that there is a provision in the Criminal Code for civil judgments to be given where crimes have been committed — probably crimes, as a rule. It is very rare indeed that such a judgment is given, yet it cannot always be presumed that the criminal is so impecunious and will remain so that the judgment for the property he or she has destroyed or stolen can never be satisfied.

It is one of those obvious little matters of justice which the public can't understand. This strict separation between civil law and criminal law, which doesn't exist to anything like the same extent in noncommon law jurisdictions, is a matter of eternal puzzlement for the public, and so it should be. We can take some steps to encourage that as part of the sentence, in effect.

The Attorney General spoke of refinements to the Land Titles Act in point of automating the title system, with which we all agree. Perhaps this is just my ignorance from not having kept up with the latest information on the matter, but perhaps he could tell us how historic searches work under such a system; i.e., are all the old and cancelled titles going to be transferred to the system? If so, or if not, has a cost/benefit analysis of such a major undertaking been made? I think all the old titles are on microfilm, so maybe they can be gotten at fairly cheaply.

Almost in parentheses, Mr. Speaker, I of course have to agree with the Attorney General that too often historical buildings have been torn down because of their lack of economic value, mainly when in the city centre, or just because they are beyond repair, which is the case of wooden buildings. So it is a matter for congratulation that right in the centre of Calgary the old courthouse remains and has been renovated and will be the Court of Appeal's roost in Calgary.

I should just correct the Attorney General: it's not the original courthouse. When I first was in it, it was a new courthouse, and the old one was there being used as a Land Titles Office. That, unfortunately, was pulled down. So just in case some Calgary members are being misled on that small point of information of no real importance at all, I make the correction.

Turning to the remarks that I came prepared with on these estimates, or arising from them, Mr. Speaker, the first thing, of course, is the organization of the department itself. On behalf of my hon. friends on this side, I'd like to applaud the great progress that's been made in the Attorney General's department in the last 18 months in terms of its organization: the post-Faulkner crisis, can we say, in which a deputy has been installed that is everything we would want a Deputy Attorney General to be in point of legal acumen, energy, and fairness. Of course, one man or woman cannot make the difference entirely, and more has to be done. We encourage the complete resuscitation of the department, in terms of the morale being raised by promotion on the basis of merit and not of cronyism and also the resuscitation of its reputation amongst the criminal Bar as being fair in the prosecution of cases, particularly in disclosing evidence that is of use to the accused and not merely treating

the job of a Crown prosecutor as an adversarial job but instead as a public duty. It is quite different from the duty of the defence counsel, which in a sense is a public duty where the actual function is to try and get the client off, whereas the duty of the prosecutor is not merely to get a conviction at any cost.

On particular areas: I have mentioned the judicial council, but another of my friends on this side of the House will speak to that later and, similarly, the public utilities component of this department and legal aid.

I wish to turn to the Law Foundation, Mr. Speaker. Hon. members will remember that the Law Foundation is funded by the interest on solicitors' trust accounts. Prior to the setting up of this foundation — I can't remember now when it was, but 10 or 15 years ago — the possession of a solicitor's trust account was an enormous bonus to the banks because they paid no interest, the reason being that it's impossible to calculate the daily shifts of ownership of a trust account, particularly in those days before the computer was used, so that the allocation of interest could be made. So banks ended up having that as a gift. Since then, year by year, agreements have been made or maintained between the government and the banks to pay interest on the monthly balances in the trust accounts to the Law Foundation and, thence, to the divisions sponsored by the Law Foundation.

The principle was that necessary functions of government should not be funded out of this fund, the reason being that it is not a government fund. Properly, the money belongs to individual litigants or members of the public whose money was for some period of time kept in a solicitor's trust account. It was impractical to pay it to them because we didn't know who they were or what the amounts were at any one time. So the principle was established in this province, Mr. Speaker, unlike some provinces, that the money would only be spent on extra matters, extra in the sense that they are not basic necessities but are part of civilized life, as it were. A major beneficiary of the Law Foundation is the Institute of Law Research and Reform. Some extra elements of legal aid, or aid to those that are not caught by legal aid itself, may be found in the Law Foundation's annual report.

Just turning to the source of the funding, the agreement made with the Canadian Bankers' Association for Alberta, which perhaps is uniform across Canada — I don't know about that — is that the banks will pay 5 percent below the prime bank rate of a particular bank. Today the prime bank rate for the Canadian Imperial Bank of Commerce — I think they're all the same within a few days and are a few fractions of a percent of each other — went to 10 percent. That means the bank is just paying 5 percent on solicitors' trust accounts into this fund.

At the same time, today the federal reserve rate in the United States went to 6 percent. So we can see it is not beyond the bounds of possibility, Mr. Speaker, that in a few months the prime bank rate will be down to 7 or 8 percent, in which case, if the formula remains unchanged, the banks will be paying only 2 or 3 percent on trust accounts. I have no doubt that this has not escaped the attention of the Attorney General. Urgent steps should be taken to rework that formula, if not by linking it to a fixed number of points below the prime rate, by fixing it as a proportion of the prime rate; I would suggest 75 percent of the prime rate. The services rendered on top of that by the bank are very small. They absorb the charges on a trust account, but given the large balances often in trust accounts, those would be absorbed by the bank anyway as

a matter of their ordinary policy. Perhaps the Attorney General could answer that, Mr. Speaker.

I mentioned the Institute of Law Research and Reform. This enjoys a relatively large budget and does a great deal of good work, Mr. Speaker. I was just looking for my note on that; it's obviously in there. Why do I mention that? It works on a large number of projects at any one time and makes reports to this House, which are considered. Up to 1980, 80 percent of their reports had been accepted by this House and put into legislation in whole or in part. Since then hardly any have been accepted.

This was referred to the standing committee of the Legislature on April 9, 1984. That committee reported on May 14, 1985: sessional paper 317 of 1985. What we are looking at is a large number of reports of the Institute of Law Research and Reform that have not been acted upon. There were 15 of them outstanding in May 1984 when the Assembly resolution was passed which were referred to the committee. The committee made recommendations in respect of 11 of them on May 14, 1985. The report was signed by you, Mr. Chairman. I beg your pardon; I've been calling you "Mr. Speaker" throughout. I apologize, Mr. Chairman.

We are looking at (a), the fruits of the expenditure of a large amount of public money, and (b), a series of reports that are important in themselves. The status of children, for example: the recommendation there was that the committee approves the principles in the report and makes a certain recommendation with respect to them. The same with respect to debt collection practices, defences to certain charges under provincial Acts, and matrimonial support. We are dealing now with recommendations over and above the draft legislation, as it then was, which was carried into law the following year. The same with the Family Relief Act; i.e., the recommendations were approved with one or two exceptions. The same with the report concerning minors' contracts; they were approved in toto. The report concerning application for judicial review was approved in toto. Unified family court report, ditto. Court services, family law, was approved subject to one or two changes. Compensation for security interests in expropriated land was approved. I'm sorry; in that case the committee referred the report back to the committee to consider a certain matter. As to the Builders' Lien Act, the report was not discussed by the committee; I don't know why that was, Mr. Chairman. But certainly in the Builders' Lien Act, in an attempt to make matters fairer under the new Act, which came in about 10 years ago, we have, as is so often the case, made some very complicated legislation, or at least the results of it are very complicated and need simplification.

Perhaps the Attorney General could lay out a plan for us for the implementation of the recommendations of your committee, Mr. Chairman, which made these recommendations as long ago as May 14 of last year. Of course, this has been the first sitting since then at which it's been possible to deal with these recommendations. I wonder what progress has been made in implementing the recommendations of your committee, Mr. Chairman.

Mr. Chairman, I believe a matter of rising concern amongst the public, reflected by the questions raised in this House and the issues in some of the speeches, has been a matter that can generally be classed as the responsibility of the government to monitor institutions that the public entrusts its money to, not by way of investment but simply by way of savings. I'm mainly referring to trust companies and credit unions but also banks, of course. Besides the failure of the banks, which of course is a federal responsibility

and therefore not one which is relevant to discuss at present, we've had the failure of Dial Mortgage Corporation and the Abacus group, the current uncertainty about North West Trust, the shaky position, to put it politely, of Fidelity Trust recently, and the earlier failure of the teachers' housing and investment co-operative which, although a B.C. incorporation, carried on business in Alberta under the approval of the Securities Commission.

We recognize just as much as the government, Mr. Chairman, that it is impossible to protect the investing public at all times and it is even impossible to completely protect at all times the saving public, who are no doubt putting their savings into banks but I suppose also into trust companies, co-operatives, and credit unions. Nonetheless, in the case of Abacus the failure was so spectacular, particularly considering that tax dollars were being put into that company and considering the facts that have emerged from the inquiries that have taken place following it, that it does raise the question of the extent to which the Attorney General and the Securities Commission work together to be alert for early warning signs of massive losses to the saving public and what can be done before it is too late to protect such people.

It's not just a matter of snooping, police work, inquiries, and so on, Mr. Chairman. It would help if the rules were tightened up in some cases. For instance, take the topic of the moment in this area, North West Trust. We know this trust company was taken over by a group, which a few days before that takeover sold its principal assets, being land holdings, to North West Trust, presumably for a good price and presumably the price was paid. What, the interested public asks, has the failure of North West Trust to lodge its annual report at the usual time to do with that outflow of capital that was to the benefit of the new acquirers of the company? The same question must be asked with respect to Fidelity Trust and the purchase of a well-known investor's assets. As I say, what monitoring occurred within this province of the substantial amounts of money invested by teachers?

In closing my remarks — I have other remarks to make, but I see I've run out of time, Mr. Chairman — I pose a question to the Attorney General with respect to the covenant to pay in mortgages. The Law of Property Act protects mortgagors from having to answer for a deficit when the mortgage or agreement for sale is foreclosed, unless the mortgagor is a corporation. Unwritten in that Act is the fact that the law does not bind the Crown, except where specifically mentioned or by necessary intentment. It is not the case with the Law of Property Act. Consequently, we find the ADC, the Alberta Housing Corporation, and the Treasury Branches in a spasmodic and haphazard way going after farmers who have \$8,000, \$10,000, or \$100,000 left to pay in circumstances in which your more ordinary capitalists would have nothing left to pay. It does seem unfair to us.

We have a law, Mr. Chairman, which is good for all the citizens of Alberta except those who happen to be dealing with Crown agencies. I would say that 99 percent of those who deal with these agencies are unaware of that; it's a very nasty surprise. When the law was originally passed back in 1936 as an amendment to the Judicature Act, I very much doubt whether it was intended that if the mortgagee was the Crown or an emanation of the Crown, the citizens would not dissimilarly protect it.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: I should point out to the hon. member before the minister speaks that the report was

signed by Mr. Tom Musgrove, the Member for Bow Valley, and not myself.

MR. HORSMAN: Mr. Chairman, I thought I'd respond to some of the questions posed, and then other members will get in.

With respect to the issues raised by the hon. Member for Edmonton Strathcona, on the subject of ranking — and I appreciate his comment about the judicial council in Alberta only applying to provincial court appointments. I thought that was clear, but I appreciate his comments. I have reviewed the recommendations now before the Attorney General, and unlike his suggestion that they are not ranked in order of preference but rather as they are approved, they are approved, period, so I've never seen any ranking. In any event, it is clear that I have made my views known as to my intention to follow recommendations and only select from those names that are already approved. I might say that I was rather surprised to see the list and its length as to the number of people seeking judicial appointments. Furthermore, it would be difficult to rank on the part of the judicial council because some people want to be judges in Calgary rather than Edmonton. For example, there is now a vacancy in Calgary but none in Edmonton, and quite a long list of names of people have been approved for Edmonton and so on. I just assure the House and the committee that we intend to follow that judicial council process.

With regard to encouraging sentencing and uniformity and encouraging judges to look at the work option more, I couldn't agree more that that is a much more appropriate method of dealing with matters, particularly of a less serious nature, than by incarcerating people or, in the case of people of limited means, fining them, which only works a hardship on the family and the children rather than providing anything to — the province is not interesting in gaining large amounts from fines. Of course, as the hon. member has pointed out, it's hard for us as lawyers or as members of this Legislature to be too overt in telling the courts how to do things, and we must be very careful. Certainly the comments about civil judgments for property crimes can be encouraged. Those are appropriate comments to make in a general way. The problem comes when we start talking about individual cases, and that concerns me a great deal. I hope that hon. members will resist that temptation, although it's always there, to say, "In such and such a case, why doesn't this happen?" I think we can pass on our message to the judiciary in a general way, but I discourage — as does the hon. member, I'm sure — any individual comments about individual cases.

With respect to the question raised relative to historical searches and computerization, only the current titles will be placed into the new computer at the Land Titles Office. Historical searches will in future be conducted in two parts: by going back over the microfiche records for titles earlier than the date of the computerization when it kicks in, and by doing a search of titles on the computer data base for new titles; that's the process. It would be just too complicated. I think some in-house cost/benefit studies have encouraged that type of approach.

I appreciate the comments with respect to historical buildings. I recall very well that when I first went to Calgary, the Land Titles Office was in fact the first building, and I appreciate being reminded of that historical fact by the hon. member.

With regard to the organization of the department, I thank the member for his comments with regard to the reorganization which has taken place. I certainly don't want to take any credit for that, Mr. Chairman, because that has not come about during my very brief tenure of Attorney General, but I think it does compliment the previous Attorney General.

On the subject of the Law Foundation, I certainly share the concern raised by the hon. Member for Edmonton Strathcona. For many years while I practised law, I was greatly concerned that the banks were indeed reaping a benefit or windfall through the ability to take in large amounts in deposits, sometimes for quite considerable lengths of time, and not pay out any interest to anybody on that matter. Also, I was often disturbed by the notion that the lawyers themselves were in fact earning the interest on those trust accounts, which was, and perhaps still is, a very serious misconception in the minds of some people.

As to the process by which the declining income might be accommodated, there is nothing in the budget to do that, Mr. Chairman. I'm not sure either — and I'm seeking clarification on this — as to the process by which the banks negotiated the process. It was my understanding that that was done with the Law Society of Alberta and not by the government. That's something that can be reviewed, of course.

With respect to the matter of the Law Foundation passing on to the Institute of Law Research and Reform some of the moneys which they earn, I think that is an important point. With respect to the Institute of Law Research and Reform, I should point out that there is an agreement between the Law Society of Alberta, the Attorney General, representing the Crown, and the University of Alberta. By agreement, our share of the operating costs of the institute is 40 percent, and in this current year's budget the amount is \$362,600. The university provides a flat amount of \$60,000, and the Law Society provides the remaining amount. The government, of course, has enacted a number of recommendations of the reports of the institution, including the report on business corporations and, substantially, the report on matrimonial property. I recall that in my earlier days in this Assembly that was a matter of considerable change and an excellent — it's quite a few years ago, but in fact it has proved to be an excellent piece of legislation, although it was decried at the time by some people in society.

As has been pointed out correctly, Mr. Chairman, the report was tabled by the hon. Member for Bow Valley, as chairman of the Standing Committee on Law and Regulations. There were a number of recommendations made there. I must admit that there are a number of matters which may very well receive consideration. However, legislative priorities for other matters have taken the fore. I will be reviewing very carefully with my colleagues some of the other recommendations that were made in the various reports referred to, some 11 in number. As a matter of fact, we'll be having the final one on the subject of the Builders' Lien Act. Discussions are presently under way on that matter, involving myself and other members of the government.

On the subject of monitoring this matter of savings and institutions, I'm not quite sure how the Attorney General fits into the picture, as suggested by the hon. member, because the Securities Commission, under the aegis of the Minister of Consumer and Corporate Affairs, has a major role to play there. The Provincial Treasurer, as has been noted in the allocation of responsibilities in the reorganization

of the government, has a role to play relative to banks, as does the federal government with respect to its bank inspection processes and so on under the Bank Act. Of course, when it comes to information which is provided to the Attorney General's department relative to prosecutions or investigations which should be pursued, the Attorney General's department works closely with the Royal Canadian Mounted Police and their crime investigation division, as with other police departments. I would certainly welcome clarification — not necessarily now, but over the next period of time — on how the rules might be tightened to prevent the loss by people who save and who rely on savings institutions.

On the subject of the covenant to pay and the Law of Property Act, Mr. Chairman, I think this province is one of the few if any that has protection for the landowner or borrower relative to relief from the covenant to pay over and above what may be obtained from the sale of foreclosed property. A considerable debate has gone on in the past. At the present time, of course, it is government policy to retain the Crown prerogative in that area. I believe the matter is certainly worthy of further debate under appropriate circumstances but not in the estimates of this department. This particular time is not in my view an appropriate time to debate that issue.

I close in answering the questions by saying that in my opinion it has been confirmed that the Attorney General does not have a role in the setting of the interest rate received from banks and trust companies by the Alberta Law Foundation. The negotiations were conducted originally by the executive director of the foundation with all the banks and trust companies operating in Alberta and when completed were considered the best deal available at the time. I can only add my personal comment that I thought the banks were still getting away pretty well on that particular matter. In any event, the representation made by the hon. Member for Edmonton Strathcona will no doubt be noted by the Law Foundation as this situation is developing. I'm sure he, like all the other members of the Assembly, unless they're in the business of lending money and relying on the income therefrom for income purposes — which I'm not — welcomes the lowering of interest rates, particularly as it affects our small businesses, farmers, and the great majority of people in Alberta. While it may work some hardship in some areas as far as the Law Foundation is concerned, overall I'm sure all members of the Assembly would like to see a permanent trend downward in interest rates. I certainly add that as an editorial comment not having anything to do with my responsibilities as Attorney General.

MR. CHUMIR: Mr. Chairman, in commencing I would like to echo the congratulations extended to the hon. Attorney General by the Member for Edmonton Strathcona on the Attorney General's appointment to the office of chief legal officer of the Crown in this province. It is a distinguished and important office with a long tradition. I'm sure he will acquit himself in that office with distinction and honour. As I rise on the area of legal matters, I am reminded of an old saying amongst lawyers, that the law is a jealous mistress. I have discovered in the last three weeks of sittings in this Assembly that politics is an even more jealous mistress, and when one combines, as does the hon. Attorney General, the role of chief legal officer of the Crown with that of sitting in this Assembly, the nature of his duties may in some instances be considered to constitute cruel and unusual punishment contrary to the Bill of Rights.

Mr. Chairman, I'd like to raise one point with respect to the financial aspects of the estimates. That is, in these estimates one notes that as a result of the offices of the minister of intergovernmental affairs and the Attorney General having been combined the amount of salary allocated to the office of Attorney General has been reduced to approximately 20 percent of what it was previously. Perhaps the hon. Attorney General could correct me if I'm wrong in that regard, but if I am correct in my interpretation that approximately 20 percent of his duties are financially allocated to that of Attorney General, can this be taken to indicate that it is anticipated that 20 percent of his time will be spent in the duties of the Attorney General? Accordingly, what does that mean insofar as the administration of justice in this province is concerned? I think it's quite clear that we need a full-time and not a 20 percent Attorney General.

I would like to move on to comment about the general situation of the delivery of legal services in the province of Alberta. I would like to note that in my view there is a serious problem in this province with respect to the ability of the average Albertan to afford legal services. I would strongly urge that there be a major review and perhaps a commission established to review this matter, Mr. Chairman. The concerns of the Law Society of Alberta in that regard were stated in an October 1984 issue of The Law Society of Alberta Newsletter in which the editors wrote:

Though legal services are made available to the needy and are affordable to those with substantial means, many people with moderate incomes are shut out of the legal market.

I have some reservations with respect to the adequacy of legal services to the needy as well, but at this stage of my comments I'm directing myself to the situation of the average person who can't afford to handle many of the legal problems with which that person is faced. Mr. Chairman, I believe what we have to do as a community is to consider very, very seriously alternate means of providing for resolution of legal disputes amongst other possible solutions.

In that regard I note that mediation and arbitration, methods which have been tried in other jurisdictions and are becoming increasingly popular, are in their infancy in Alberta. But organizations such as the Alberta Arbitration and Mediation Society and the Alberta family mediation society, which I understand as of recent times has approximately 40 members, are moving in a direction which I think we must more seriously examine. We need to consider the provision of more prepaid legal service programs, which are becoming popular in other parts of the country.

One thing of particular concern to me, Mr. Chairman, is that an organization in Calgary which has been doing a great deal to provide legal services to those who don't qualify for legal aid but are clearly in the needy category — I refer to the Calgary Legal Guidance Organization — has recently had its funding very significantly cut by the Alberta Law Foundation. It is having to cut staff at a time when there is a greater demand for legal services than ever in the past. I would urge the Attorney General and this government to consider the role the Calgary legal guidance organization has been providing and see whether or not some assistance might be provided to that organization so it can continue to fulfill its important function.

In conclusion on this particular issue, Mr. Chairman, I simply reiterate that this is an important issue. I think there is an increasing lack of confidence in the legal system on

the part of average members of the public as a result of the expense and complexity of getting legal representation. I believe it should be a priority of this province to set in motion a very serious and independent study of the methods of delivering legal services in order to see how they can be improved and brought up to the level that will be needed for the rest of the 1980s and the 1990s, because we're certainly behind the times.

I move beyond the general problem of legal services to the average person, to deal with some of the particular areas where we have difficulties in the delivery of legal services. First, I would point out that there are a number of rather smaller problems in terms of money that cause serious difficulties for many individuals. These have not until recent times been covered by legal aid. These are problems relating to bobbing and weaving one's way through the intricacies of the Unemployment Insurance Commission, Workers' Compensation Board, welfare problems. I would urge the government to address this particular issue and these problems and perhaps even consider the concept of encouraging the implementation of legal clinics, of which Ontario has many. I understand that the city of Toronto has approximately 37, which deal with and specialize in the area of poverty law.

MR. HORSMAN: Which law?

MR. CHUMIR: Poverty law, dealing with the problems of the indigent which are not covered by the legal aid system yet cause serious difficulties for these individuals, because the areas I have raised are matters of extreme complexity.

There is the question of the mental health system. Those who enter into the system and particularly those who are being subjected to involuntary commitment are amongst those in our community most in need of legal services, yet our system in this province is most inadequate, and most of these individuals are in fact without legal assistance. This has been pointed out by the Drewry commission on the mental health system, which reported in December 1983. That commission recommended that a system of legal advocates be provided at very early stages for dealing with and helping those who are being subjected to involuntary commitment. I would very heartily endorse that suggestion and that initiative. I think it is clear, Mr. Chairman, that the legal aid system is not adequately organized and does not adequately address the problems of those who are now within the mental health system. This has received comment from a number of sources in both Alberta and other provinces where the problem has arisen, and I would urge the government to take some immediate steps dealing with this issue.

I would like to move on, Mr. Chairman, to comment on some aspects of our legal aid system. I have some questions and some comments. I note that the budget for the legal aid system this year has been increased to \$12.58 million from \$10.998 million the previous year. The previous year's figure of \$10.998 million was in fact a decrease from that of the previous year in the amount of approximately \$200,000, but this year we have an increase of 14.4 percent. Is this increase due to the fact that there were renewed responsibilities of the legal aid system under the Young Offenders Act and the Child Welfare Act, or alternatively, does the increase reflect an increase in the volume of cases being handled under the general rules and guidelines of the legal aid program, and/or alternatively to that, does it reflect an expansion in the scope of legal aid? I have been led to

understand that the guidelines have in fact been broadened somewhat in recent times.

A further question I ask the hon. Attorney General to address is: what amount is paid into the legal aid program by federal grants for criminal cases? The estimates indicate an expenditure of \$12,580,000 without indicating what proportion of that comes from the federal government. In addition, Mr. Chairman, I understand that there is a sum of money available for civil cases under the provisions of the Canada Assistance Plan. I'm not familiar with the format of such assistance, but I've read of it. I can provide to the hon. Attorney General the reference to that; it's the StatsCan bulletin. I ask the hon. Minister if he could advise whether or not the province of Alberta has tapped into those moneys which are available under the Canada Assistance Plan for civil matters, and if not, why not?

I'm also concerned, Mr. Chairman, that we are significantly behind other provinces — or perhaps I might more appropriately say the state of my knowledge enables me to say that we have been significantly behind other province — in providing legal aid assistance to residents of Alberta. I refer to the StatsCan statistics of 1983-84 which I believe are the latest available, but I would be quite happy if the minister were able to produce some later statistics which show that we have improved our dealings on this matter.

The 1983-84 StatsCan statistics indicate that based on a rate for 1,000 population we provide in Alberta the smallest amount of legal aid on a per capita basis than any province except for three of the maritime provinces. I would be interested to hear the minister's comments on whether that is accurate and why, because it's certainly nothing to be proud of in light of the government's largess in many other areas. This is too important an area to be neglected. That's on a per capita basis, and on an absolute expenditure basis the statistics indicate as well that we spend less per capita than any province except for the maritime provinces. We spent one-third less than the average in those years. In fact, we spent \$4.69 per capita — part of which would be the federal government grant, of course — and the average across Canada for that year was \$7.11. There was a one-third shortfall in that regard, Mr. Chairman, which I think should be of some concern.

I'm also concerned about what I have noted over the years to be a disparity in the manner in which legal aid is dealt with between the Calgary and Edmonton legal aid offices. Unfortunately, my information is not the absolute latest; it is based on the 1985 report of the Legal Aid Society of Alberta, which I received last year on September 6. I assume the 1986 report is not out, but if there are more recent statistics indicating the matter has been rectified, I would be delighted.

These statistics indicate that on a consistent basis, the number of legal aid applications denied in Calgary has exceeded that denied in Edmonton on a very, very significant basis. I will table these statistics, if that's appropriate, for inclusion in the record of this Assembly. That should be a matter of some concern, particularly in the city of Calgary and particularly to indigents in that city who are in need of legal aid assistance. The shortfall pertains to both the civil certificates and the criminal certificates. In addition, under reasons for not granting the certificates there is a category called "other", which covers approximately 60 percent of the 6,758 certificates not granted in 1985; 4,121 out of 6,758. "Other" doesn't give any information whatsoever. So it would be very interesting and I think important, Mr. Chairman, for the Attorney General to look into this

matter and, if he has that information, to explain to the House why that is the case.

There are several other miscellaneous issues that have been of concern to me over the years. Let me say: one over the years — because I'm going to shorten my comments — and several of a fairly recent vintage. The one that has been of concern for some period of time relates to the fatality inquiries legislation, which comes under the jurisdiction of the Attorney General. I have in my possession a number of clippings from press reports, particularly during 1985 and early 1986, in which survivors of those involved in fatalities have been very, very critical of the fatality inquiry process. They felt very frustrated at the absence of any concrete recommendations by the fatality inquiries tribunal. In many instances, they've felt that the matter has not even been addressed at all.

I am concerned about the structure of the legislation. In particular, Mr. Chairman, I am concerned that there is inadequate direction in the legislation requiring the presiding officer of such inquiries to in fact fully examine the issue and make as good an effort as possible in coming up with recommendations which are in the community interest. I suggest it is time this legislation be reviewed with a view to making it more effective and directing those in charge of inquiries to give as full a review of the circumstances as possible so that the whole community can benefit from the process and from the information and from the insight that we would derive from the mistakes which were made in leading to those fatalities so as to be able to avoid those same mistakes in the future.

There are several other points I would like to raise with respect to the fatality inquiries, Mr. Chairman. One is that there has not to date, I understand, been a requirement under the legislation that deaths in institutions for the mentally handicapped must be reported to the medical examiner, who has the power to probe any death from unnatural causes. I have here a newspaper article from December 8, 1985, which indicates that:

Only a few of the 29 deaths since 1980 in the Baker Centre and the 57 at the Michener Centre since 1983 have been reported. [These of course] are institutions for the mentally handicapped.

It's understood that this matter was under review late last year. Perhaps the hon. Attorney General could indicate to us whether or not the deaths of the mentally handicapped will be required to be reported under the legislation.

Finally, on the question of the Fatality Inquiries Act, Mr. Chairman, a matter of concern is the question of follow-up. Some of the inquiry's recommendations have been made with respect to processes and procedures in various aspects of our community life which would be intended to prevent loss of life. The sense I have is that these are not being followed up, that there is no procedure in place for doing that. I think it's imperative that we do have such a follow-up system.

Another area that has been of concern in recent times, Mr. Chairman, is that of the role of the amicus curiae in dealing with child custody disputes. In recent times a number of citizens of this province have formed an organization and expressed some concern about the role of the amicus curiae in these proceedings. Without wishing to endorse those criticisms or otherwise because I'm not intimately familiar with them, I would merely state that the nature of the criticism being made is that the role of the amicus curiae is not always carried out in a balanced manner. It's often perceived as being partisan, that the office of the

amicus curiae is overworked and unable to give adequate attention to some of the cases, and that it is overly relied on by the courts in many cases and in fact becomes the de facto decision-making body. In any event, I am sure the hon. Attorney General will agree that care must always be taken to be fair in these matters. I would ask the Attorney General to assure the House that the matter is being reviewed by his department to ensure that it is working properly and fairly. I would also ask the Attorney General to consider some form of independent inquiry and review of this system in order to comfort those who are involved in custody disputes so that confidence in the integrity of the process will continue.

The final point I have to deal with is that of the Public Utilities Board, Mr. Chairman, which also falls under the jurisdiction of the minister. My concern at this stage arises from the recent takeover of — I believe it is — Palm Dairies by, the group which is also controlled by Alpha dairies, which thereby reduces competition amongst dairies in the province of Alberta. In fact, it's understood that there no longer will be any competition.

One might suggest that this potential absence of competition is compensated for by the fact that the Public Utilities Board regulates the price of milk to consumers. However, I have had a complaint from a constituent who is involved not as a residential or home consumer but as a large-volume commercial consumer. Until recent times that large-volume commercial consumer had been able to go to several different dairy groups to make a competitive arrangement with respect to purchasing milk. That option is now totally forestalled. The commercial purchasers are being left to deal only with the one milk company in this province, and that is, of course, of some serious concern. I'm not obtuse to the difficulties one has in dealing with matters of large commercial consumers, who certainly fall into a different category than the many hundreds of thousands of home residential users. However, I wonder if the Attorney General might comment as to any possible role this government might see for the Public Utilities Board or any other government entity in attempting to limit the anticompetitive effect of this takeover and whether it has any position on the takeover or plans to take any steps to deal with it.

Those are my comments. Thank you, Mr. Chairman.

MR. HORSMAN: Mr. Chairman, I would like to respond to some of the questions raised by the hon. Member for Calgary Buffalo. First of all, I'm sure it comes as a great disappointment to hon. members to learn that I, holding two portfolios, only get one ministerial salary. I do not get two. It's certainly a disappointment to me, and I'm sure it is to them.

The fact of the matter is that the estimates contain a reference to the amount required to run the ministerial office of the Attorney General for the period April 1, 1986, until the date of the swearing in of the new cabinet. So about two months of that period were required to pay the previous holder's salary, and that amounts to about one-sixth or 18 percent of the annual salary of the minister. That's why the estimates show a sum for the operation of the minister's office for that period of time. Of course, the balance will come from the Department of Federal and Intergovernmental Affairs. If anybody out there thinks I'm getting two ministerial salaries, they're wrong.

With respect to the affordability of legal services, the hon. Member for Calgary Buffalo has raised a number of questions relative to the types of services provided by

voluntary organizations and agencies in the province, all of which no doubt are performing useful services. Many of them have been relying upon the Law Foundation for grants. Once again, as I mentioned in my comments relative to the representations and comments of the Member for Edmonton Strathcona, the decline in revenues to these agencies from the foundation is as a result of the decline in their revenues due to falling interest rates. Representations have been made to various departments of government, including the Department of the Attorney General, to move in and pick up the difference.

The question of whether or not an independent study is required as to the affordability of legal services is something I will take under review. I'm not certain that is required at this time. There is a fairly extensive legal aid system in place in the province. Of course, as the hon. member has noted, there is an increase of 14 percent in this year's budget. With regard to the specific questions he has raised there and particularly with regard to the level of funding provided by the federal government, I will try and answer those questions now.

The adult agreement relative to the provision of legal aid services to adults provides for a federal contribution based on a very complex formula which takes into consideration a number of factors, including the national and provincial populations, the national and provincial net legal aid expenditures, and the gross national product. I'm not going to go through it all, because I don't understand it myself. The young offenders agreement, however, provides for a federal share equal to the lesser of 50 percent of all expenditures or 40 [cents] per capita based upon Alberta's population. In the case of Alberta that is obviously the lesser amount, 50 percent of expenditures. The adult agreement expired at the end of March 31, 1985, and the young offenders agreement expired on March 31 of this year. Though they have both expired, the amounts continue to be paid by the federal government on the same formula until new agreements are entered into. All provinces are presently engaged in the process of negotiating those new adult and young offenders' legal aid cost-sharing agreements with the federal government.

However, to be specific with regard to the federal contribution to adult legal aid, the estimated total amount in this year's budget is \$9.2 million. The federal share of that is roughly \$4.25 million, somewhat less than half of the total. With regard to young offenders, the increase in the total amount from 1984-85 to this year's budget — I'm sorry, '85-86; I'm giving you historical figures — was \$602,000. That went to \$1.5 million, an increase of well over half. Of that the federal share was half, \$734,000. That gives you an idea as to the federal contribution.

That is part of the questions that were asked. I will provide clarification to the hon. member in writing, of course, if I miss something as we go along. I'll have to take as notice the question relative to civil cases under the Canada assistance program. Actually, it's a matter which should be referred to the Minister of Social Services. Those matters will be dealt with under that agreement which is under the responsibility of that particular minister.

On the subject of per capita grants or amounts spent on the various provinces, I will review those matters. I'm not certain on the question of the disparity between Edmonton and Calgary, why that would take place. There is, of course, a Legal Aid Society which operates in the province. Individual communities have their own legal aid systems to assist people requiring legal aid. I will review that matter.

Going back to the subject of how the overall increase of 14.4 percent is made up in the legal aid budget, the increase in the young offenders' caseload will account for \$430,000, and the general increase in volume in total cases is \$1,152 million. That accounts for the total increase of \$1,582 million in the total legal aid budget. I think that answers the question from the current budget's perspective. There are a number of statistics I could supply relative to the subject of legal aid in certain areas, but I will provide those in written form because it would take too long to answer now, Mr. Chairman.

On the subject of the fatality inquiry process which was raised, this legislation underwent some fairly major restructuring in the last few years, but I think the hon. member has made a point. It may be time for a further review to provide for the question of follow-up. It's difficult to always follow up the recommendations which flow from these inquiries; sometimes it's impossible to do. But certainly, where it can be worked into trying to prevent death by accident in particular, I would think there are some recommendations which we might be able to work into either operations or legislation.

On the role of the amicus curiae — that's something that wasn't in existence when I was actively practising law, so I must admit to being somewhat out of touch with that area. When the hon. member made the reference to the term "partisan," I assumed he was referring to partisan to one or other of the parties — the husband or wife — rather than any political partisanship. Am I correct in that respect?

MR. CHUMIR: Yes.

MR. HORSMAN: I thank the hon. member for that clarification. Of course, that representation has been made; I'm aware that there have been societies or groups spring up which want to review this matter. I'm certainly prepared to undertake that.

However, as minister responsible for the Public Utilities Board, I find myself having great difficulty trying to fit into my responsibilities whether the government should, through the Public Utilities Board, play a role in the area of preventing takeovers, particularly in areas such as the dairy industry which is so thoroughly regulated now that there is very little if any competition — certainly, with respect to prices. In fact, to the consumer there is none. I think that would be a little more difficult for me, to say that I could take the representation with a view to looking forward to any changes.

On the subject of the mental health system and the question of involuntary commitment, the hon. member said that we have a most inadequate system. Mr. Chairman, we have undergone a very major change over the last few years with respect to the protection of the person and the property of people who have mental incapacity. The old system under the Mentally Incapacitated Persons Act was obviously one of great antiquity and, furthermore, of great expense to the person and to the estate of anyone who might have been involved in that area. There was a change of considerable importance with the introduction of the official guardian, with a provision for assistance by the government in that area. I would not like to accept the comments that we in fact have a most inadequate system here in the province without further review of that matter. Certainly, everything we do relative to protecting the interests of people whose affairs need management and assistance during such time as the mental incapacity exists, either on a permanent or

a temporary basis — we should be reviewing how we can properly assist those people. I will take those representations under consideration.

The whole question of legal aid, of course, I've touched on, but we will be reviewing representations made by members of the public, by organizations in the community that are concerned with this subject; whether or not we should engage in legal clinics is something that is worthy of review: all of which comments have been made by the hon. Member for Calgary Buffalo by way of representations that we might study and review in the next period of time. Certainly, as Attorney General my mind is not closed on these issues. To make sure we have the courts of this province, the legal system, available to the citizens of this province so they are not denied justice or an approach to justice because of lack of funds is something I think we should be committed to as legislators, people who are responsible for the budget. The amount this Assembly sees fit to vote by way of supply to the Department of the Attorney General is, of course, the subject of discussion each year in this Assembly. It's quite proper to raise concerns where it appears that not enough funds are being directed in certain areas. I'm certainly open to reasonable and appropriate suggestions by any member of the Assembly.

I thank the hon. Member for Calgary Buffalo for his kind opening remarks.

MR. PIQUETTE: I also would like to congratulate the appointment of Mr. Horsman as Attorney General.

A number of questions have been brought up today. I'd like to make a few comments. Although we in this province presently have a judicial council which recommends to the Lieutenant Governor in Council the appointment of judges to the Provincial Court of Alberta, the recommendations of this judicial council are not binding. In light of the Canadian Bar Association's comment last year in regard to their concern of political patronage in judicial appointments, will the minister be making representation to cabinet that the Provincial Court Act be amended to make it mandatory that the Executive Council only select a Provincial Court judge candidate from the names which are submitted by the judicial council and, should the list of candidates be found unsuitable, that they request further recommendations from the judicial council? Further, will the Attorney General make representation to the cabinet that the number one choice of the judicial council be appointed unless the Attorney General delivers the number one candidate written reasons for denying the appointment? This would ensure that political patronage in judicial appointments to the provincial Bench is neither seen to exist nor perceived by the public to exist.

Secondly, I'm very concerned at the very high rate of native incarcerations in Alberta. They represent only a small proportion of Alberta's population, but they represent 25 to 30 percent of prisoners in Alberta jails. Since so many so-called native crimes are alcohol related, I would suggest that the government should forcefully address the underlying issue of unemployment and the resulting social and emotional problems it creates. Would the minister commission a study involving the native people of Alberta, to seek alternate ways that alcohol-related crimes in native communities could be addressed? I don't think the whole aspect of putting native people in jail is working here in Alberta. If we go back to the native communities and try and work out some ways in which the alternate ways can be addressed, this would be going a long way in terms of making sure the

native people are implicated in the whole judicial process in Alberta.

Another concern that has been raised in many remote native communities like Conklin and Peerless Lake is the lack of policing available in those communities. For example, in Conklin a person who is the victim of crime must travel to Lac La Biche, a two-day journey by train, to lay charges, because the RCMP only occasionally travel to Conklin to patrol. Would the minister review the availability of policing and patrolling on a regular basis in northern communities? Perhaps the creation of community or native police assistance could be set up in remote northern communities to ensure respect of the law.

As the Member for Calgary Buffalo has also indicated, legal aid is often not available to needy people and to native people. Many needy people living away from the centres of Edmonton and Calgary where legal aid is not very often available charged with minor or sometimes more serious crimes often plead guilty without really being fully aware of their rights. Would the minister ensure that gaps in the legal aid system be addressed, especially in rural Alberta?

As the Member for Calgary Buffalo also indicated, members of the mentally handicapped associations feel that fatalities in the institutions for the mentally handicapped should also be investigated and reported to the fatality inquiries board of the Attorney General. I would second that comment made by the Member for Calgary Buffalo.

Since the time is very short and I won't have time to go into all my questions, I want to turn to the Public Utilities Board. I was made aware that last year a petition by a number of municipalities in Alberta fighting a rate increase by ICG — in the unsuccessful bid to stop the rate increase, the consumer was penalized by having to pay back .391 per mcf. I think that brings to mind what we discussed a few weeks ago: that the minister should recommend that a paid consumer advocate sit on the board, making sure the costs of representation by consumer groups to the Public Utilities Board are fairer in terms of its application.

In the sense that the Public Utilities Board is a quasi-judicial board and that we have a petition by small producers in terms of rate sharing on the provincial grid in the realm of economic development, I wonder how the government will be able to make its case to make sure that small producers get a fair hearing on rate distribution. What kind of pressure can we the government bear upon the Public Utilities Board in terms of making sure there is fair competition in the sharing of rates and consumption in Alberta?

If the minister has a few minutes to answer these questions, I would appreciate it.

MR. HORSMAN: Mr. Chairman, I regret that it's unlikely I'll be able to answer the questions this afternoon. Just quickly, though, I'd like the hon. Member for Athabasca-Lac La Biche to refer to my comments in answer to the Member for Edmonton Strathcona relative to the judicial council. I think I've covered that.

On the subject of native incarcerations, I agree that we must try and prevent incarcerations, particularly of first time offenders. We would certainly like to work closely with people who are knowledgeable in order to prevent that happening.

On the subject of policing, I defer that issue to my colleague the Solicitor General. With respect to the Public Utilities Board questions, I will have to carefully review his representations. I listened to the debate very carefully on the subject of a consumer advocate. I thought it made a lot of sense, and I was interested in the unanimity on the part of all members who spoke on that subject. It is something which certainly merits consideration.

Those very brief answers, however, lead me to this point, where I move that the committee rise and report and beg leave to sit again.

MR. DEPUTY CHAIRMAN: Before we do that I would point out that the Member for Athabasca-Lac La Biche has 25 minutes should this department come back to the committee, and there are 11 people still waiting to speak.

You have heard the motion of the minister. Do you agree?

HON. MEMBERS: Agreed.

[Mr. Speaker in the Chair]

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

[Motion carried]

MR. HORSMAN: Mr. Speaker, it is not proposed that the Assembly sit this evening. I would advise the Assembly that tomorrow evening the Department of Recreation and Parks will be before the Committee of Supply.

[At 5:29 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]