

LEGISLATIVE ASSEMBLY OF ALBERTA

[Leave granted; Bill 57 introduced and read a first time]

Monday, November 17, 1975

Bill 64

The Mental Health Amendment Act, 1975

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

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF BILLS

Bill 55

The Livestock Brand
Inspection Amendment Act, 1975

MR. MILLER: Mr. Speaker, I beg leave to introduce Bill No. 55, being The Livestock Brand Amendment Act. The purpose of this bill is to reword sections that cannot be enforced at the present time.

[Leave granted; Bill 55 introduced and read a first time]

Bill 61

The Companies Amendment Act, 1975

MR. HARLE: Mr. Speaker, I beg leave to introduce a bill, being Bill No. 61, The Companies Amendment Act, 1975.

The main purpose of the bill, Mr. Speaker, is to require Alberta companies to have, by July 1, 1976, at least half of their board of directors resident Albertans, and that no business of companies be transacted at meetings of the board unless a majority of the directors present at such meetings are resident Albertans. The remaining purposes of the bill are to improve the service to the public by the companies branch and the legislation it administers.

[Leave granted; Bill 61 introduced and read a first time]

Bill 57

The Trust Companies
Amendment Act, 1975

MR. ASHTON: Mr. Speaker, I beg leave to introduce a bill, Bill No. 57, The Trust Companies Amendment Act, 1975. This is an important and substantial bill, Mr. Speaker, the purpose of which is to enhance the protection of the Alberta public, and to allow for the expansion of Alberta trust companies.

DR. BACKUS: Mr. Speaker, I beg leave to introduce a bill, being Bill No. 64, The Mental Health Amendment Act, 1975.

This bill makes several amendments that clarify the intention of The Mental Health Act. It also introduces recommendations of the provincial Mental Health Advisory Council concerning appeal procedures, enables formal patients to have leaves of absence under supervision, and a very important amendment, enables the public trustee to cancel certificates of incapacity where the person so certified cannot be found.

[Leave granted; Bill 64 introduced and read a first time]

MR. HYNDMAN: Mr. Speaker, I move that the following bills be placed on the Order Paper under Government Bills and Orders: No. 55, The Livestock Brand Inspection Amendment Act; No. 57, The Trust Companies Amendment Act; No. 64, The Mental Health Amendment Act, 1975.

[Motion carried]

INTRODUCTION OF VISITORS

MR. LOUGHEED: Mr. Speaker, I'm very pleased, through you to the members of the Legislative Assembly, to make a very important introduction today. We have, sitting in your gallery, Mr. Speaker, a citizen who has assumed very important responsibility for the whole province as the new mayor of the capital city of Edmonton. I know all of us in the Legislature, particularly the 16 members of the Legislative Assembly from Edmonton, wish him well in his new responsibilities. I know we, on behalf of the government, are looking forward in many different areas and many different fronts, to having the opportunity to work with him and with the committees of city council. We recognize the onerous nature of the responsibility he has accepted. I'm sure we wish him well.

I'd like to welcome to this Legislative Assembly the Mayor of the City of Edmonton, Mr. Terry Cavanagh.

DR. HOHOL: Mr. Speaker, I'm pleased to introduce the seventh grade class from Steele Heights Junior High School in the constituency of Edmonton Belmont, 59 students accompanied by a classroom teacher, Mr. Dale Smith. They are seated in the members gallery. I should like them to rise and be recognized by this Assembly.

TABLING RETURNS AND REPORTS

MR. HARLE: Mr. Speaker, I wish to table a background paper prepared by the Institute of Law Research and Reform at the University of Alberta, entitled Residential Tenancies Project, Part 1, Rent Control and Security of Tenure, together with the working papers to be used in preparation of studies in the project.

MR. RUSSELL: Mr. Speaker, I wish to file copies of reports received from the Environment Conservation Authority. The first report deals with hearings into residential development in the Leduc/International Airport area. The second one deals with the Carseland Comincc fertilizer project.

ORAL QUESTION PERIOD

RCMP Fiscal Support

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Solicitor General and ask if he would indicate to the Legislature the reason the federal government has unwisely made the decision to cut back fiscal support as far as the Royal Canadian Mounted Police is concerned in the Province of Alberta. Perhaps the question should go to the Minister of Federal and Intergovernmental Affairs.

MR. FARRAN: Well, Mr. Speaker, I think it might be premature to say that the federal government has made a decision. It has given the eight contracting provinces a proposition, and has asked for response. The argument used for reduction of fiscal support is that this is a benefit the eight contracting provinces have, and the two non-contracting provinces of Ontario and Quebec do not have.

MR. CLARK: A supplementary question to the minister. At what time and in what manner will the Province of Alberta be responding to the federal government's move?

MR. FARRAN: Mr. Speaker, when we have fully digested the implications of the federal proposition and consulted with our colleagues in the other three western provinces.

MR. CLARK: Mr. Speaker, might I ask the minister if he's had an opportunity to do any initial digesting. In fact, does the government have a position at this time, or an initial response to the federal activity?

MR. FARRAN: Well, Mr. Speaker, it's no secret that the initial response is alarm in that it's a reduction of fiscal support for law enforcement bodies at a time when the crime rate is extremely high.

MR. PURDY: Mr. Speaker, may I ask a supplementary. In view of the announcement by the justice minister of the federal government and the request for an additional 125 RCMP constables, which has been met with an apparent response that now we will get only 40, is the minister prepared to amend The Police Act to allow municipalities under 1,500 population, including counties and municipal districts, to establish their own police forces?

MR. FARRAN: Not at this time, Mr. Speaker.

MR. TAYLOR: A supplementary to the hon. minister. Has the department made any assessment of the cost of initiating a provincial police force as compared to what the total cost of engaging the RCMP will now be?

MR. FARRAN: Mr. Speaker, sir, that would be a step that the Province of Alberta will be very reluctant indeed to take, inasmuch as the RCMP is so closely intertwined with our birth and our history in Alberta; and is also, of course, an extremely fine police force.

MR. TAYLOR: One further supplementary. Does the hon. minister think the federal government is absolutely sincere in this, or is it simply flying a kite to see if it can get more money out of Alberta?

MR. FARRAN: Well, Mr. Speaker, that's an opinion. It is true that in meetings in Victoria in May, the proposition was 60 per cent provincial and 40 per cent federal instead of the existing 50-50 contract. They have retreated a small amount from that position in that they are now proposing 56 per cent provincial and 44 per cent federal, spread over 5 years.

MR. TAYLOR: One further supplementary. Did the federal government leave any room for further arbitration or further discussion on the matter?

MR. FARRAN: I didn't hear the question, Mr. Speaker. Would you mind repeating it?

MR. TAYLOR: Yes. My question to the hon. minister is, did the federal government leave any room for further discussion or arbitration on the matter?

MR. FARRAN: Mr. Speaker, they asked for a response from the four western provinces. We have also been in touch with the four maritime provinces involved. The mere fact they have asked for a response means that the door is not yet closed. I might add that, at the time of the negotiation of the existing contract, there was no agreement for two years, and the contract that prevailed at that time carried on for two years over the expiry date.

Coal/Power Development

MR. CLARK: Mr. Speaker, I'd like to direct my second question to either the Minister of Energy and Natural Resources or the Minister of Environment and ask if they could indicate to the Assembly whether an application has come forward to either the government or the Energy Resources Conservation Board regarding development in the Dodds-Round Hill area, as far as coal is concerned.

MR. GETTY: Mr. Speaker, I have not been advised of an application being made to the Energy Resources Conservation Board. However, I know that, in the development of future power for utilities within the province, certain companies have been discussing the matter of generation of power from coal reserves and their plans in the future, with my colleague, the hon. Minister of Utilities and Telephones. I would pass that question to him.

DR. WARRACK: Yes, Mr. Speaker. As of the present moment, an application has not been filed with the Energy Resources Conservation Board. However, the work in preparation for filing an application has been going on throughout the summer months and, as I understand it, is ready for filing very shortly.

MR. CLARK: A supplementary question, Mr. Speaker, to the Minister of Utilities. Is there any reason the application is being held back, in light of legislation that will be presented before the House in the course of this session that would change the procedure that proponents of this project would find themselves under as far as the Public Utilities Board, Energy Resources Conservation Board, or any other government agency is concerned?

DR. WARRACK: Two parts to that question, really, Mr. Speaker. First of all, the application is not being held back in any way that I'm aware of other than the fullest possible preparation to file the application. Secondly, the question, as I understand it, is whether any change in legislation that would affect the present procedure is proposed for this sitting of the Legislature. The answer to that question is, no.

MR. NOTLEY: Mr. Speaker, a supplementary question, this time to the hon. Premier. Could the Premier advise, in light of the concern about the Dodds-Round Hill project, whether the government will impose a moratorium on the matter, at least until we have the final report of the Land Use Forum?

MR. LOUGHEED: Mr. Speaker, I would think not. I think the considerations involved are quite different, but it may be the process of timing would be such that the ultimate decision would not be made until the members have available the Land Use Forum recommendations.

MR. NOTLEY: A further supplementary question to the hon. Premier. In light of some of the discussion that took place last year when this matter was first raised, and the announcement of the Dunvegan dam study, would the government consider a moratorium until such time as we have the findings of the current Dunvegan study completed and made public?

MR. LOUGHEED: Mr. Speaker, I don't think we would consider a moratorium in the sense in which the hon. member raises the matter. We feel it should proceed in the normal way, with an application to the Energy Resources Conservation Board. It should be assessing it from a technical point of view, and providing a recommendation to the Executive Council. At that stage, we would be evaluating what alternatives may be available in the province and what the circumstances are. But I wouldn't see any change of policy on our part to in any way dissuade any application to the Energy Resources Conservation Board at this time.

MR. NOTLEY: Mr. Speaker, a further supplementary question either to the hon. Premier or to the minister. Does the government have any statistics as to projections of future power requirements which would examine the question either as one, or the other, or both going ahead simultaneously?

DR. WARRACK: Mr. Speaker, considerable analysis is done by way of planning for electric power in the future through the Electric Utility Planning Council, that involves all those participants in this industry in Alberta. This work was initiated, as a matter of fact, at the suggestion of my predecessor, Mr. Farran, and going forward from then. Much of the kind of analysis the hon. member is referring to is a part of the undertaking of the Electric Utility Planning Council.

One item that might be of interest to the member: as important and major as the possibility of a hydro site at Dunvegan might be, it is not in the same magnitude of power supply capability as the project at Camrose-Ryley, brought up earlier today.

MR. NOTLEY: Mr. Speaker, a final supplementary question to the hon. minister. What provisions will there be at this point in time for formal public hearings into the Dodds-Round Hill project so that people in the area can formally make their input known?

DR. WARRACK: Mr. Speaker, the hon. member may be aware that those provisions presently exist within the normal procedures of the Energy Resources Conservation Board.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. In view of the present procedures which allow the ERCB the latitude of holding or not holding hearings, will the government insist that formal public hearings be held as a condition of consideration of this project?

DR. WARRACK: Mr. Speaker, my observation has been, throughout the time of responsibility -- not only now but prior to my present responsibility -- in the instances where a proposed project is of major magnitude, hearings have in fact been involved as a matter of judgment by the Energy Resources Conservation Board. I doubt that anyone would suggest the particular project we are discussing at the moment is anything other than major. So I would be quite confident that the judgment of the Energy Resources Conservation Board on this matter would be that it would indeed have hearings.

Gas Co-op Prices

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Utilities and Telephones. In the rural gas position paper of 1973, the government was hopeful that gas available to rural co-ops would be around 50 cents per MCF. I was wondering what the present average cost, or the range of costs to the consumer are at the present time.

DR. WARRACK: Mr. Speaker, I'm not really sure it's fair to say it was the hope of the government that the price of natural gas would not go beyond 50 cents. As a matter of fact, it seems to me that the province has benefited very greatly from Alberta's efforts to get fair commodity value for the resources owned by the people of this province. So with respect to the success the government has had in that, I think it's understandable that the prices to the user in Alberta, despite the natural gas rebate plan, would be somewhat higher than the figures used early in the calculations.

MR. R. SPEAKER: Mr. Speaker, certainly in my question I made no inference regarding the good or the bad of the 50 cents. But at the present time, could the minister indicate if the price has increased over \$1 per MCF on the average across the province? Are we looking at that kind of . . .

DR. WARRACK: The actual calculations are quite variable. If the member is asking me if some are presently substantially beyond \$1, the answer is clearly yes. The reason it's clearly yes is that a certain percentage of the capital cost in the instance of many of the co-ops is amortized in the gas rate, and the more they decide to amortize the capital cost in the gas rate, of course, the higher the gas rate is.

Secondly, areas where there is a relatively high figure per MCF are those with municipally owned utilities, where they've chosen not to have an initial high capital outlay but to keep that low, and by keeping it low having a very high percentage of the total cost amortized in the gas rate. So for those two particular reasons, there are some instances where the MCF price of gas available under the rural gas program is substantially over \$1.

MR. R. SPEAKER: Mr. Speaker, a further supplementary to the minister. Is there a government policy to limit the amount of capital cost amortized in the gas rate, or is that totally up to the local rural gas co-op?

DR. WARRACK: Mr. Speaker, it's not totally up to the rural gas co-op, for the reason that the guaranteed loans are only made on a basis that economic viability of repayment is possible by the gas rate charged. In other words, the amount of the gas rate has to be high enough to repay the loans that are guaranteed loans, and therefore within the responsibility of the public Treasury of Alberta.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. When will the government finalize and announce the extent of shelter under the two-price system for the forthcoming year? There's been some speculation, but when will we get the official figures?

DR. WARRACK: Mr. Speaker, if the hon. member has been watching this important area closely, he will know that the dates involved are the dates of the fiscal year of the provincial government. The reason is that this is such a major part of the budgetary priority, which is a part of our budgeting process, that the effective date is April 1 through March 31, the same as the fiscal year. Under the natural gas rebate plan the primary thing involved in determining the level of the support benchmark for the coming fiscal year will be related to budget priorities that we, as a government, see in Alberta.

MR. NOTLEY: Supplementary question, following from the minister's answer. Can the minister advise the House when, in fact, we can anticipate an announcement? Obviously, it has to be some time before April 1, but does he have any target date so that the consumers of Alberta will have some idea?

DR. WARRACK: Well certainly, the hon. member can anticipate what he wishes. In any case, it would be part of the budget process, and would be applicable on the first of April, 1976.

MR. NOTLEY: Mr. Speaker, a further supplementary question for clarification. From the minister's answer, can the Assembly conclude that the announcement of the shelter price will not be made until such time as the 1976-77 budget is brought down in this House?

DR. WARRACK: The hon. member could conclude that if he wishes. Basically, the point is, when the matter is determined as to the substance of the policy involved, and the timing is also decided, then we will make the announcement.

MR. SPEAKER: Might this be the final supplementary by the hon. member, followed by a further supplementary by the hon. Leader of the Opposition.

MR. NOTLEY: Mr. Speaker, are discussions taking place at the present time, both with the association of rural gas co-ops and the privately-owned utilities in the Province of Alberta, concerning the shielding or the two-price system next year?

DR. WARRACK: Yes, there are indeed. As a matter of fact, it's not the association, but the Federation of Gas Co-ops. It's having its meeting in the latter part of this week. I'll be part of the program involved with respect to the important areas, one of which, of course, is the future price of natural gas.

Gas Transmission Lines

MR. CLARK: Mr. Speaker, a further supplementary question to the minister, relating to the matter raised by the Member for Little Bow. I'd like to ask the minister what government agency is doing the safety checking as far as the main transmission lines are concerned? Is it the ERCB?

DR. WARRACK: Late in the days of the most recent sitting, we passed The Pipeline Act -- about June 25, as I recall. That extended additional authority to the Energy Resources Conservation Board with respect to safety considerations involved. I recall a number of members of the Legislature expressed concern about that, and therefore favored the legislation agreed to in this House in June.

MR. CLARK: Mr. Speaker, a further supplementary to the minister on the same question. Has the ERCB had an opportunity to report to the minister with regard to its findings on the various pipelines it has investigated since that legislation came into effect?

DR. WARRACK: Not at the present time, Mr. Speaker. The machinery is being geared up in order to carry forward the additional provisions in that new legislation.

MR. CLARK: One further supplementary to the minister. At this time, then, with the ERCB machinery not being geared up, to use the minister's term, where does responsibility lie for checking to see that the lines laid in fact meet provincial standards? Whose responsibility is that?

DR. WARRACK: First of all, it's important to say that I did not say the machinery was not set up. I said it was in the process of being set up, and it would be a joint responsibility, as would be practical, between the Energy Resources Conservation Board and the staff of the Department of Utilities and Telephones.

Planning Act

MR. KUSHNER: Mr. Speaker, I'd like to direct this question to the Minister of

Municipal Affairs. Over the weekend, I had some inquiries in regard to The Planning Act. The cities of Calgary and Edmonton have been giving quite a bit of input. I'm wondering if the minister is in a position at this time to relate to this Assembly when he is proposing this act come before the House.

MR. JOHNSTON: Mr. Speaker, the act will not be brought before the House this fall. As to the introductory date, I am hopeful it will be spring, 1976.

Nursing Home Fees

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Hospitals and Medical Care and ask whether he can tell the Assembly if it is true that user fees for residents of nursing homes will increase from \$3 to \$4 a day as of January 1, a 33.3 per cent increase.

MR. MINIELY: Mr. Speaker, yes, it is true that is the case. I would point out to the hon. member that will still leave our nursing home charges to the patient among the lowest in Canada. It's the first time they have been increased in the last four to five years.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In light of the probable introduction of rent review legislation in the Province of Alberta, will the government reconsider its funding of nursing homes, so any increase to the resident of a nursing home will be no greater than the amount allowed under proposed rent review legislation?

MR. MINIELY: Mr. Speaker, I think the hon. member is discussing two different matters.

Interest Rates

MR. TAYLOR: Mr. Speaker, my question is to the hon. Provincial Treasurer. Because interest rates are an important item in rising prices, has the government made any representations to the Canadian government in regard to holding interest rate increases to the same percentage as it's holding wages and prices?

MR. LEITCH: Mr. Speaker, we have not made any formal representations to the federal government on that point. It was mentioned in the documents that were before the finance ministers at their meeting some weeks ago in Ottawa. As I recall, the federal position with respect to interest rates was that it was not putting the ceiling on them, because they are, to some extent, governed by the interest rate the lending institution has to pay for the funds it obtains to lend. But -- again I'm speaking from memory -- my memory is there would be the cost limitation on the increases in prices by lending institutions

that fell within the federal guidelines, dealing with number of employees and so on.

I would also mention to the House that these matters are the subject of ongoing discussions. I anticipate there will be further discussions about interest rates in meetings between representatives of the federal government and representatives of the provinces.

MR. TAYLOR: Supplementary to the hon. Provincial Treasurer. In the discussions with the Minister of Finance and the provincial treasurers, was any concern expressed to the Canadian government, or any interest expressed by the provincial treasurers, to putting some type of lid on the interest rates as set by the Bank of Canada, which doesn't completely come under the category you just, so properly, outlined?

MR. LEITCH: Mr. Speaker, I think perhaps the hon. member is touching, although not directly, on the question of the money supply within the nation, which is always, of course, a very important aspect of any inflation question. It was mentioned in that indirect sense during those discussions. Again, speaking from memory, it's my memory the Minister of Finance indicated an intention on the part of the federal government to permit the money supply only to increase at the same rate as the economy increases in real growth terms.

Condominium Conversion

MR. MANDEVILLE: Mr. Speaker, my question is to either the hon. Premier or the hon. Minister of Consumer and Corporate Affairs. Will the legislation involving housing, mentioned by the Premier, deal with conversion of apartment buildings to condominiums?

MR. HARLE: Mr. Speaker, we have that under consideration.

MR. MANDEVILLE: Supplementary question. Does the government have a contingency plan to be followed should there be an increased number of owners attempting to convert apartment buildings to condominiums, in relation to the suggested rent control legislation?

MR. HARLE: Mr. Speaker, perhaps the member could elaborate on what he means by contingency plans. It's a matter that is usually governed by legislation. Presumably contingency plans relate to something else.

MR. MANDEVILLE: In many of the cities at the present time, there are apartment buildings that are being considered to be converted to condominiums. I was wondering if the government was taking any steps to stop this at the present time.

MR. HARLE: Mr. Speaker, we're awaiting the condominium study report which should be in, in approximately the next two weeks.

Municipal Spending

DR. BUCK: Mr. Speaker, my apologies to you and to the members of the House, but even dentists have to get their teeth fixed and dentists are always late, even for dentists, and that's why I'm late, Mr. Speaker.

My question is to the hon. Minister of Municipal Affairs. Mr. Speaker, the minister made a statement at the municipal convention that there would be certain penalties levied if municipalities did not follow the provincial guidelines. Can the minister indicate to us when this legislation will be coming in and what those penalties will be?

MR. JOHNSTON: Mr. Speaker, the hon. Member for Clover Bar is referring to a section of a speech I made at the Alberta Urban Municipalities Association in which I was merely looking for suggestions with respect to how we could handle the extensive increase in deficits across this province. As the opposition has already indicated, there is a strong awareness of the New York crisis. We are attempting to [take] steps here which will preclude that possibility in Alberta.

As to specific legislation, there is no legislation planned for this fall. We are merely considering it as a policy position.

DR. BUCK: Mr. Speaker, is the minister indicating there is no guideline for penalties that will be levied in municipalities?

MR. JOHNSTON: There is no legislation to levy penalties at this time, Mr. Speaker.

Auto Insurance

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. How many insurance companies in Alberta have discontinued writing auto insurance in the past few months?

AN HON. MEMBER: Fewer than British Columbia.

MR. HARLE: Mr. Speaker, I haven't any information other than that tabled in the last session of the Legislature.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Have any insurance companies in Alberta made a presentation to the government with regard to compensation or subsidization of losses in the last few months?

MR. HARLE: I'm a little unsure, Mr. Speaker, as to what the hon. member is referring. Perhaps he could elaborate.

MR. R. SPEAKER: Mr. Speaker, it was my understanding that insurance companies in Alberta discontinued writing some auto insurance because of financial losses or potential losses. I was asking the minist-

er if any of the companies have made presentations to the government with regard to that.

MR. HARLE: Not that I am aware of, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister or the government still receiving complaints from Alberta residents that insurance companies which do renew car insurance are forcing their clients to take out package insurance in other fields -- fire and casualty -- with them?

MR. HARLE: Some companies, Mr. Speaker, I understand are still using that practice. However, since some comments were made in this Assembly, I understand this has been reduced, and the number of complaints we're getting in the area of automobile insurance has been reducing.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Has any specific action been undertaken by the government, by the department as such, and have any discussions been held by officials of the department with officials of the companies carrying on this practice?

MR. HARLE: Mr. Speaker, we have pretty well indicated to the industry that we would like to see the practice discontinued. However, there are some companies -- because of the financial situation and the claims on their policies, it's important that these insurance companies remain financially capable of undertaking the risks that they take when they write insurance. It's a balance, I think, between making sure the companies will meet their obligations and trying to discourage this practice.

MR. CLARK: Mr. Speaker, a supplementary question to the minister, on this question of automobile insurance. Has the minister had discussions with representatives of the automobile insurance people concerning the large awards that have been made for personal injuries, especially awards made in Alberta in the last year?

MR. HARLE: Mr. Speaker, it is of course the claims made on insurance policies that dictate the premiums. Perhaps the hon. Leader of the Opposition could elaborate on what he has in mind, because it is obvious that the courts establish the dollar value of the large claims, and these of course become part of the actuarial risks that have to be taken into account in order to establish premiums.

MR. CLARK: A further supplementary question, Mr. Speaker, to the minister. To put the matter this way: is the minister giving consideration to legislation which would place a limit on the size of claims individuals could acquire through a court of law in this province for personal injuries in insured automobile accidents?

MR. HARLE: Well, Mr. Speaker, it's interesting the member should take that approach. We have not so far.

MR. CLARK: A further supplementary, Mr. Speaker, to the minister. I wouldn't want to misunderstand his answer. No representation has been made along that line by the insurance industry to the minister -- is that a fair assessment of the minister's answer?

MR. HARLE: I have not, Mr. Speaker, seen any representations in that regard.

MR. CLARK: A further supplementary. Would the minister be prepared to check with the insurance people in his department and report back if there is some different information?

MR. HARLE: Yes, Mr. Speaker.

AEC Investors

MR. LITTLE: Mr. Speaker, I would address my question to the hon. Minister of Energy and Natural Resources. I have the preliminary prospectus of the Alberta Energy Company in front of me, and the first page contains the usual warning of the speculative nature of the securities. Page 22, Eligibility for Investment, indicates under (a), "Insurers incorporated under the laws of Alberta may invest funds pursuant to Section 94(2) . . . of The Alberta Insurance Act".

Mr. Minister, it was my understanding that speculative shares were not normally eligible for investment by insurance funds, and they were required to have a long history of dividend paying. Could you explain [this] to the House?

MR. GETTY: Mr. Speaker, when The Alberta Energy Company Act proceeded through this House, there was provision within that act that insurance companies and trust companies could invest in the Alberta Energy Company. That matter was specifically debated in the House. It is true, Mr. Speaker, that on the prospectus -- and all prospective purchasers should consider that these are not guaranteed in any way as to their price, but it was felt that insurance companies and trust companies should have the freedom to purchase shares in the Alberta Energy Company. It's strictly a matter of their choice.

MR. LITTLE: A supplementary, Mr. Minister. Does this indicate then that The Alberta Energy Company Act supersedes the federal legislation regarding the investments of insurance companies?

MR. GETTY: No, Mr. Speaker, it does not supersede federal legislation. It refers to provincial legislation.

Cancer Services, Calgary

MR. GHITTER: Mr. Speaker, my question is to the Minister of Hospitals. I wonder if the provincial government is considering the creation of a fully integrated cancer clinic in the city of Calgary.

MR. MINIELY: Mr. Speaker, yes, we do have that under consideration. It's in the stage of various planning at the present time. As the hon. member may know, over-all cancer services in Alberta come under a Provincial Cancer Hospitals Board, which covers cancer services within the total province. This board is now in the process of doing some planning for a facility in Calgary similar to what we have in Edmonton at the present time.

MR. GHITTER: A supplementary, Mr. Speaker. I wonder if the hon. minister could advise as to the location contemplated for this clinic?

MR. MINIELY: Well, Mr. Speaker, I can't be totally specific, except to say I believe it's the Provincial Cancer Hospitals Board which has responsibility for the decision regarding site. In the case of cancer services, its view is that there is great advantage to being tied in with the university and with the Foothills Hospital complex site. My recollection is the site would be in that area.

MR. GHITTER: A supplementary, Mr. Speaker. I'm wondering if the hon. minister has considered utilization of Col. Belcher Hospital, which is presently underutilized and is centrally located for such services, in hopes an agreement could be entered into with the federal government, from the point of view of use of that underused facility.

MR. MINIELY: Well, Mr. Speaker, the hon. member certainly makes an excellent point. We have the potential use of Col. Belcher Hospital, because the federal government has indicated its desire to sell it to the provincial government. What we are doing, though, in reply to the hon. member, Mr. Speaker, is to assess, if you like, the most suitable use of the facility. The facility is built in a way that does suit, for instance, auxiliary care, or longer term care needs in the future of Calgary. But first of all, we have to decide whether we require the facility. We haven't made that decision yet. If we do decide we should acquire the facility, we will have to decide what is the best use for it. There are different alternatives for the use of the facility.

MR. GHITTER: One final supplementary, if I may, Mr. Speaker, to the hon. minister. Have negotiations been commenced with the federal government with respect to the Belcher Hospital, or is that something to be considered in the future?

MR. MINIELY: Well, I think, Mr. Speaker, one could only say in reply to that ques-

tion, negotiation has commenced to the degree that the federal government has indicated it would like to sell to us. But we haven't made a decision whether we'd like to buy.

MR. GHITTER: One further supplementary. Is the minister aware that in the Province of Ontario, for example, the selling price for taking over Rochdale hospital was \$1, a price I think we can afford?

MR. MINIELY: Well, Mr. Speaker, knowing the hon. Member for Calgary Buffalo, I'm sure he knows that sometimes the capital cost of a hospital facility is a very small part of the total cost.

Gas Transmission Lines (continued)

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Utilities and Telephones again. It centres on this question of responsibility for the safety of rural gas transmission lines and branch lines. Would the minister indicate to the House if that responsibility rests with the ERCB, the way things are right now?

DR. WARRACK: My present understanding is that this responsibility is shared. However, with the hon. member raising the question, and obviously having concerns in the area, I think I'd like to check it out in some detail, and report.

MR. CLARK: Mr. Speaker, a further supplementary to the minister while he's doing the checking out. Would he indicate to the House whether he or his officials in the department have had concern expressed, either by officials of the ERCB or of other government agencies, about the manner in which some of the main transmission lines and branch lines have been laid?

DR. WARRACK: From a safety standpoint?

MR. CLARK: From a safety standpoint, yes.

DR. WARRACK: Well, yes, there's really no question about that, Mr. Speaker. As a matter of fact, that was much of the impetus and argument in favor of The Pipeline Act itself. There is no question that the answer is, yes. If there are further concerns with the implementation of it, I'd certainly want to check and see that it's being done thoroughly.

Urban Environment Program

MR. KUSHNER: Mr. Speaker, I don't know for sure to which minister to direct this question. It's been brought to my attention over the weekend that an urban commission on environment was holding meetings in the city of Calgary, probably in Edmonton as well. It has some sort of incentive or grant program for industry to move out of the city to the outskirts. I wonder if

whatever minister it lies on could inform the House, in fact, if that is really happening.

MR. RUSSELL: Mr. Speaker, I'll take a guess that probably I should try to answer that question, whatever it is about. The Department of Environment has had a program under way for two or three years, whereby it will support the relocation of objectionable industry to locations outside urban municipal boundaries. City Packers in the city of Lethbridge was the first such one. To date, it's been the only one. There's been a very substantial number of applications from industry for consideration under the program, and the Department of Environment is considering guidelines and principles that should apply. I'm not aware of any commission or advisory group such as the hon. Minister refers to.

Oil Spill

MR. RUSSELL: Mr. Speaker, while I'm on my feet, perhaps I could give some details to the hon. Member for Spirit River-Fairview with respect to an oil pipeline leak he asked about on Friday. I think he referred to it as a leak into the Pipestone Creek.

There was a leak in the Peace River pipeline, near Valleyview, into a small creek called Higgins Creek, which flows into the Little Smoky River. Metering would indicate that about 5,460 barrels of oil spilled, and 5,100 barrels was collected prior to the burning of the residue that was left. The leak occurred as a result of two corrosion leaks in the pipeline.

Urban Environment Program (continued)

MR. KUSHNER: A supplementary question to the minister, if I may. Is it a correct statement that the minister is in fact not aware that meetings of that type are held with industry or business people in the city of Calgary, giving grants to encourage people to move to the outskirts of the city?

MR. RUSSELL: Mr. Speaker, I've indicated the policy, the program, and budgetary support of the Department of Environment. It may very well be that meetings are taking place at the local level throughout municipalities with respect to using the program.

Cemetery Program

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Culture. Is the government planning to make the cemetery program a continuing program?

MR. SCHMID: Mr. Speaker, the cemetery program which was funded last year is extended

to October 31, 1976, since some of the cemeteries were unable to obtain their plaques. However, presently, a continuation is included in the budget for next year, which of course would first have to find approval by caucus, cabinet, and subsequently the Legislature.

MR. NOTLEY: Subject to the 11 per cent?

Cow-Calf Operators

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture, and ask whether he is able to report to the Legislature on his meeting with officials of the National Farmers Union on Friday, concerning the present predicament of cow-calf operators in the Province of Alberta.

MR. MOORE: Mr. Speaker, yes, I would be able to report on the extent of the meeting and the various things that were discussed at it.

MR. NOTLEY: Mr. Speaker, a supplementary question. Can the minister advise the Assembly whether the Government of Alberta is reconsidering its position, in terms of making cash assistance, as opposed to loan assistance, available to cow-calf operators?

MR. MOORE: Mr. Speaker, I've had that matter under consideration, of course, in addition to a number of other matters that have been raised by various groups throughout the province in recent days. Indeed, part of the considerations that went into the program of re-announcing the cow-calf advance at 7 per cent interest were as a result of meetings with livestock groups and farmers throughout Alberta.

Mr. Speaker, I could elaborate extensively on the meeting I had Friday afternoon with officials of the National Farmers Union. They put forward to me a proposal that was identical, I think, in most respects, to one put forward to this government on November 8, 1974.

There are certainly a number of areas in which we have acted very positively in terms of assistance to the beef industry. I can't possibly, during the question period, go into all of those. I did indicate, however, to officials of the union that we have been doing everything we possibly could to bring about an adequate stabilization program on a national basis under the auspices of Bill C-50, which is a federal piece of legislation requiring that certain named commodities, of which beef is one, will be subject to a stabilization program equal to 90 per cent of the previous average five-year price, with a cost of production figure enrolled in there.

In addition to that, there are provisions under that legislation for provinces, where they can agree on a product that's produced nationally, to provide some level of top-loading. I told the members of the National Farmers Union on Friday, and I say

again, this province is willing to consider discussions that might lead to top-loading. But before we can get involved in that, surely they recognize as well that we must have the introduction of the program at a national level.

MR. NOTLEY: Mr. Speaker, a supplementary question. Pursuant to discussions in question period last week, has there been any further discussion with federal officials on whether Ottawa plans to move on a stabilization plan? Can the minister report any further discussions on that matter?

MR. MOORE: Well, Mr. Speaker, there may have been some at the departmental level. Personally, I have not discussed the matter with the federal Minister of Agriculture, largely because my understanding is that he is out of Canada at the moment attending a United Nations meeting in Europe. So I haven't been in contact with the hon. Mr. Whelan.

DR. BUCK: Supplementary to the minister, Mr. Speaker. It's in the same vein. Has the minister been made aware of the petition being circulated in northern Alberta, where the farmers will be asking for a moratorium on their debts until farm prices rise so that they can pay them? Has this been brought to his attention, or has the petition been formally presented to the minister?

MR. MOORE: Yes, it has, Mr. Speaker. As a matter of fact, at 1 o'clock this afternoon I had a very interesting meeting with a gentleman by the name of Mr. Kendricks, who is supposedly heading the group which is providing the move to a debt moratorium situation. I said to him after a very brief explanation -- we didn't have that much time -- that it was somewhat unclear to me even yet how such a debt moratorium would work, and how it might affect the ability of farmers across this province to borrow money from traditional lending sources. He asked me quite frankly if I would support the idea, and I said until I knew more about the details of his idea, how it might affect credit to farmers, and how it might affect our lending institutions, I was certainly in no position to wholeheartedly endorse his proposal.

DR. BUCK: Supplementary, Mr. Speaker, to the minister. Has the minister or anybody in his department studied the system used in Saskatchewan, where they did have a moratorium very similar to this one?

MR. MOORE: Yes. I think, though, Mr. Speaker, I would have to say from my knowledge of the proposal being put forward here, that it is considerably different from the moratorium in Saskatchewan during the course of 1971. I would have to say, yes, I know that the department and the then Minister of Agriculture, together with a good number of Members of the Legislative Assembly, did have an opportunity to see what happened during the course of that

debt moratorium.

It's very simply a matter, in my view at least, that when you apply a debt moratorium to lending institutions on a broad scale, you immediately create a situation where credit to the agricultural industry dries up very fast. If you look at the amount of credit required by the agricultural industry, and by farmers across this province, we would want to be very careful about doing anything that might, in any way, interrupt the flow of credit used generally by farmers.

MR. COOKSON: A supplementary, Mr. Speaker. I think we'd all like a moratorium on our debts. But I'd like to ask the minister whether his department is doing any monitoring of the cow population in this province, because I think in the long term if we drop below a certain level we will have a problem. Is your department doing any monitoring on the population and the possible long-term effect it might have?

MR. MOORE: Yes, Mr. Speaker, we are, indeed not only in Alberta, but in Canada, the United States, and other countries. It's our information that the female cattle population in both the United States and Canada has stopped the spiral which it was accustomed to during the period from perhaps 1972-75. Indeed, U.S. cattle numbers, in terms of breeding cows and heifers retained, appear to be down over the last couple of quarters of this year.

I would have to say that, with respect to the Province of Alberta, it is very difficult to have accurate figures from week to week, particularly during the fall season when a lot of cattle are going to market. I hope, however, that through the course of the early part of next year we'll be in a better position to judge what depletion, if any, there's been of the cow breeding herd in Alberta. We certainly know there will be some, or at least the growth will be stopped.

I think we would view with alarm a situation where a great number of herds were disposed of. My information presently -- I'm not sure how accurate it is -- is that that is not the case today, although some people are going out of business. Indeed, many people are retaining heifers and replacing their older cows with new heifers. We hope the population generally will be maintained at or near the level it was in 1974.

ORDERS OF THE DAY

GOVERNMENT BILLS AND ORDERS
(Second Reading)Bill 60
The Alberta Energy
Company Amendment Act, 1975

MR. GETTY: Mr. Speaker, I beg leave to move second reading of Bill No. 60, The Alberta Energy Company Amendment Act, 1975.

Mr. Speaker, this is a relatively straightforward bill, which requests two amendments to The Alberta Energy Company Act. Hon. members will recall, when we introduced The Alberta Energy Company Act and the House approved it, there was some discussion of the principle that the Alberta government would always hold 50 per cent of the shares of the company, so that ownership and control would never reside outside the Province of Alberta.

At the same time, we made the point that we did not want to have the Alberta government, through its agents, hold in excess of 50 per cent of the shares; therefore, the bill contained a provision that agents of the government would not hold shares. Now, there has been the need to clarify that the term agent does not apply to members of the Executive Council, who are Members of the Legislative Assembly. This bill, therefore, provides that that matter is clarified.

Also, Mr. Speaker, because it is hoped that members of the Legislature will in fact be shareholders of the Alberta Energy Company, we have provided a section of the amendment to the act which makes it clear that Members of the Legislative Assembly should feel free to participate fully in debate or voting upon matters having to do with the Alberta Energy Company, without feeling restricted because they in fact hold shares of the company.

Those are the two principles contained in this bill, Mr. Speaker. I'd ask the members to support it at this time.

MR. CLARK: Mr. Speaker, in taking part in the debate on second reading, I'd say at the outset that there's no question this legislation is going to go through. But I think it's important, once again, we recognize that simply approving this legislation doesn't really negate the fact that members of the Legislature who acquire shares in the Alberta Energy Company are in fact going to be dealing with matters that affect their own particular financial situation.

We're already involved in the Alberta Energy Company to the tune of \$75 million. The Energy Company has worked on an arrangement with the government, so that gas in the Suffield area is now owned by the Energy Company. Now the people are being asked, in fact, to buy portions of that

back, as far as acquiring shares in the Energy Company is concerned.

We've seen the transaction very recently as far as Steel Alberta is concerned. If the Energy Company takes up its option, and the government takes up its option as far as Syncrude is concerned, it's my understanding we could be involved there to the tune of \$6 to \$7 to \$8 million. We're looking at a situation, Mr. Speaker, as I see it anyway, where members of the Legislature are saying, we can acquire shares in the Alberta Energy Company, fully recognizing that decisions we make here are very definitely going to impinge on how successful the Alberta Energy Company is, or how successful it isn't.

I suppose this is as good a time as any to say I don't plan to acquire shares in the Alberta Energy Company, not that I wouldn't like to perhaps have the opportunity. But it seems to me when you become involved, as members of the Legislature, in this business of establishing laws for the people of the province, there are some things you have to forego. I would like to have thought members of the Legislature could, on this occasion, have resisted the opportunity, and perhaps the temptation as far as this is concerned.

I know there are those who will say that if cabinet ministers and MLAs weren't investing in the Alberta Energy Company, that would, in fact, be an indication of lack of confidence in the Energy Company. I don't think many people would have considered that reasoning for a very long period of time. It seems to me, as I said earlier, when one becomes a member of the Legislature, there are some things a person has to forego, in the interest not only of how it is, but perhaps more important, how it appears to the public.

I would urge members of the Legislature to consider once again what we're doing here, and not make an exemption for the Alberta Energy Company. Goodness knows, we've made enough exemptions for the Alberta Energy Company already. So I would urge members to reconsider second reading of the bill before us.

MR. NOTLEY: Mr. Speaker, in dealing with Bill No. 60 before the Legislature at this time, it seems to me there are several observations that should be made. The first, of course, is the point the hon. Leader of the Opposition has already presented to the House; in my view it's a valid concern at a time when we have increasing numbers of what you might call joint venture operations, in which government and business go together in a co-operative venture.

Whether this is facilitated through the organization known as the Alberta Energy Company, or whether it is joint venture as such, it seems to me you really run into a rather serious and dubious area when members of the Legislature, who are in a position to set the guidelines, to determine the overall policy of the province, at least as to the framework of policy which will guide the company, are in a position to profit as shareholders from the deci-

sions made. It seems to me you have at best, Mr. Speaker, an obscuring of the public interest.

No one is going to suggest that members of this Legislature are looking into this particular venture from that kind of fast-buck vantage point. I'm not making an allegation. I'm suggesting to the minister that we're getting into a very definite shade of gray area, where it is extremely difficult to distinguish between what may well be public interest on one hand, and private interest as individual shareholders in a company on the other. So, Mr. Speaker, I believe the concern which the Leader of the Opposition raised not only relates to the Alberta Energy Company, but in my view, goes somewhat beyond that. It's something we have to examine when we look at the whole approach of joint ventures, whether in this province or anywhere else in Canada.

The second observation I'd like to make with respect to this bill, Mr. Speaker, is the suggestion that MLAs can take out shares, and by so doing, have some influence as shareholders in the activities of the company. We had a rather interesting example the other day of the hon. minister's response, when I raised questions concerning whether certain officials of the Alberta Energy Company had obtained interest-free loans in order to acquire shares in the AEC. At that time, the minister simply said it wasn't his responsibility to advise the Legislature on this matter; this was really the concern of a company separate from the Legislature, and he did not feel obliged to answer to this House whether that practice was occurring. Then he added the comment that individual members can, of course, acquire their own share, go to the annual shareholders' meeting, and ask these questions.

Well, Mr. Speaker, with all due respect to the minister, the practice of shareholders' meetings being an example of citizen democracy, is a little far-fetched. If he wants an illustration of how questions can skilfully be avoided, I'd just ask him to look at the records of the annual meeting of FWA. Several representatives -- one representing the party I happen to be associated with, and one representing himself as an active barb in the flesh of the government -- went out to B.C. to take part in the annual meeting of Pacific Western Airlines. [They] found it rather difficult, to put it mildly, to obtain the kind of information which, I think, the public needs to know -- votes of something like 3 million to 2 on certain motions, for example. So the suggestion, Mr. Speaker, that we're going to be able to keep an eye on what's going on in the Alberta Energy Company just by a few of us taking out shares is, in my judgment, far-fetched, to put it mildly.

I would simply say, in commenting on the principle of this bill, Mr. Speaker, what I said when the Alberta Energy Company was created in the first place. If we're going to commit large sums of public money to this institution, there must be ongoing accountability to the Legislative Assembly.

Whether we want to call it a company, or a Crown corporation -- and the government has deliberately set it up as a company -- even so in my view they should not try to evade ongoing accountability to this Assembly. Questions can be posed on the business decisions of the company, on the practices of the board of directors, so that we have a knowledge, as citizens of Alberta, whether shares are acquired by us as individuals or not, a knowledge of what is going on. Keep in mind, under the terms of this act 50 per cent of the capital will be coming in, in any event, as money voted by this Legislative Assembly.

For those reasons, Mr. Speaker, I feel we would be ill-advised to pass Bill 60 as it stands. I would hope members of the Assembly will reconsider their position on it, and that this bill will, in fact, be defeated.

MR. TAYLOR: Mr. Speaker, I would like to say a word or two on the bill, and I support it. First of all, in regard to the first amendment: I believe the government has been wise in holding the public interest to 50 per cent of the voting in the company. I think giving the citizens of Alberta the first chance to buy into this company is one of the best things ever done in the name of free enterprise in this province. Something similar was done a few years ago in connection with Alberta Trunk. This was well received by the people of the province. Thousands of people were unable to get shares at that time, and the benefits came to the people able to buy shares.

I'm sorry to see the hon. Member for Spirit River-Fairview leave, because I wanted to make some comments on what he was just saying. I'm going to make them anyway, but I would feel much better if he had stayed to listen.

When we talk about the difficulties of shareholders' meetings, and outline all the things that are wrong about them, I'm wondering how the hon. member would feel if they are compared with a government monopoly, such as Saskatchewan where they're buying out an industry. How many people there will have a chance to go to a meeting to discuss this matter? This is simply thrust on the people of Saskatchewan. They have no choice in it at all, and they have no choice at any shareholders' meeting. Certainly, it's a tremendous improvement over what a socialist situation would do, where the government simply takes over the industry, and then tells the people it's good for them. Here, there's nothing forcing any member to buy into this company. We have a free will. We can buy, or we don't have to buy.

All this amendment is doing is making it legal. To say that this is a conflict of interest is just as ridiculous as the accusation, back in 1955, that because MLAs had money in the treasury branch, there was a conflict of interest. At that time, in order to avoid any confusion, I withdrew any money I had in the treasury branch, and put it in a chartered bank. It is almost a ridiculous situation where a member of the Legislature could not put his money in the

treasury branch without being accused of trying to unduly influence the policy of the treasury branch. It just didn't make sense. That was legalized by the next Legislature, where a member could put his money in the treasury branch, or borrow from the treasury branch. And properly so. I don't know of any case where a member had that much influence because he was one in thousands. He simply wanted to make use of the treasury branch because it was in accordance with his thinking, and the money was being used in the province for the development of the province.

Now for us to say that there's a conflict of interest, that we won't be able to speak objectively, or the way we want to, on this Alberta Energy Company if we buy some shares, is as ridiculous as the accusation by the Liberal leader back in 1955. I thought it was ridiculous then, and I think it's ridiculous now. Because if that was the case, why do we ever talk about AGT? We're given free telephone passes in AGT. We can call any place in the province. Does that stop any member in this Legislature from criticizing AGT if something goes wrong? Not at all. Not a bit.

In connection with PWA, I understand there might be an hon. member in the House who owns a share in PWA. I'm not looking at the hon. Member for Spirit River-Fairview, but he's sitting next to me. If so, has that stopped him from criticizing the takeover of PWA in this Legislature? Not a bit. I think he's been more vocal on that than on anything else, even though it fits right into socialist policy. He's still being vocal.

There's no putting a zipper on somebody's lips because he happens to be one of, I hope, several hundred thousand who happen to have shares in a company. The very thought of that, to me, is nauseating and ridiculous. If we're going to carry that argument to its proper conclusion, we couldn't speak about many things in this province, because every member is a recipient of some benefits from some department of government, as a citizen of this province, and as a citizen of the country. But it still doesn't stop us from criticizing, or looking at something objectively, saying it's right or wrong, and taking the proper stand and voting accordingly.

I think this move is going to be one of the greatest steps that's ever been taken in this province towards keeping Alberta free enterprise. I think that's really what it is. If people put their money into something, they have an interest in it, and that's what free enterprise is all about: the investment of money, taking a risk, taking a chance, hoping it will develop.

Now the government has never gone out and said there's no risk in the Alberta Energy Company; just the contrary. I think there is some risk. But I think it's a tremendous investment, a tremendous opportunity for the people of Alberta to put their money where they've wanted to put their money for many, many years, in the development of their own province and their own country. Surely we don't have to wait

forever for people from Europe, the Arab countries, or the U.S.A. to come in to develop our industries. This is an excellent move for 'mid-people' -- to give the opportunity to people to invest their money, little as it might be, but to invest whatever money they have in the development of their own country. If we are going to stand up and denounce foreign ownership, how can we denounce foreign ownership and the thrust of the chance to buy into a company like this with the same breath? If we do that, we're speaking with a forked tongue. You can't be hot and cold in regard to this matter.

I think this is an excellent opportunity for the people of Alberta to show whether they really believe in free enterprise or otherwise. I intend to buy some shares in this company, and it won't stop me for one minute from criticizing the company if I choose to do so. If the people of my constituency direct me to take a stand against any aspect of the Alberta Energy Company, the fact that I'm a shareholder, one teeny-weeny-weeny-weeny shareholder, is not going to stop me from being the voice of the people who sent me here to speak.

MR. SPEAKER: May the hon. minister close the debate?

HON. MEMBERS: Agreed.

MR. GETTY: Mr. Speaker, I must say to the hon. Member for Drumheller that I appreciated the views he expressed very much. He has managed to capture in his comments the spirit and intent of the Alberta Energy Company, and I am pleased to hear that he will be participating also as a shareholder.

I must say, Mr. Speaker, that I continue to be disappointed with the negative views that have been expressed by the Leader of the Opposition and the Member for Spirit River-Fairview on this new concept of the Alberta Energy Company. It's certainly one that, if they notice, Albertans are supporting very strongly, and I'm particularly disappointed that the Leader of the Opposition is not going to participate as a shareholder. I think it would be an excellent opportunity for him to appreciate the workings of that company, the various risks and, I trust, profits that they will be participating in in the development of our province.

He should also, I hope -- I would ask him, Mr. Speaker, to reconsider his decision not to participate. As he points out, his reason is that decisions we make within this House may, in fact, in some way increase the potential of the Energy Company to be successful. Therefore, should he be a shareholder, he would be benefiting himself, I gather would be the point. But surely, Mr. Speaker, that is true of many, many companies which participate within this province. There are many companies in which the hon. member could hold shares that are very active within the province, and we make decisions within this Legislature that can benefit them a great deal,

or, in some cases, harm them. Members are not restricted from participating in those companies. I would wonder why, then, they would prevent themselves from participating in the very company that is created by an act of this Legislature, and is going to have such a vital part of the future development of our province. I would urge him to reconsider that decision.

As for the Member for Spirit River-Fairview, I'm surprised and disappointed also that he would be prejudging an annual meeting of the Alberta Energy Company. I think that's extremely unfair to the management and directors of the Alberta Energy Company. He has absolutely no knowledge as to how those meetings would be held.

As a matter of fact, I understand the president of the Energy Company has already met with him to provide him with all the information he would like to have, and has offered to provide him with any additional information any time he felt he would like to have it. So I think, Mr. Speaker, to raise a conjecture that it will be difficult to get information, the hon. member is being extremely unfair and unrealistic, in light of the discussions he has had with the president of the Alberta Energy Company.

So, Mr. Speaker, I am asking members of the House not to be negative on this matter at all, but rather for the hon. Member for Spirit River-Fairview and the Leader of the Opposition to switch their views, and to pay a great deal of attention to the views expressed by the Member for Drumheller, and not have me convince them, but let his words convince them. I trust the members of the House will in general support this bill.

[Motion carried; Bill 60 read a second time]

Bill 52 The Natural Gas Pricing Agreement Act

MR. GETTY: Mr. Speaker, I beg leave to move second reading of Bill 52, The Natural Gas Pricing Agreement Act.

Mr. Speaker, hon. members will recall that one of the first policy statements of the government regarding energy matters had to do with our view that there must be a strong effort to increase the prices for which Alberta sold depleting natural resources, and that in previous sessions the government moved with the Alberta Petroleum Marketing Commission to place the pricing of oil within the control of this Legislature, and within control of the government.

We've been generally very successful in increasing the value we receive for our oil and natural gas. However, we have had the situation where oil is controlled, but natural gas is not. There was the potential for natural gas, since it is a very valuable fuel and energy source, increasing faster than many Canadians could adjust to. Therefore, recognizing that we do not want these prices to increase faster than other

parts of Canada and the Canadian economy can absorb them, the government has been discussing with the federal government ways and means to phase in the increases.

We have made the important breakthrough in principle that natural gas, coal, and oil, certainly natural gas and oil at this time, should be priced in parity. While through our phasing proposal natural gas will be priced at 85 per cent parity with oil, we do have a commitment from the federal government that in 3 to 5 years we will phase natural gas into full 100 per cent parity with oil. In order to manage this price increase and phasing-in, and to do one additional very important thing, it was necessary to come up with the legislation that you see before you today, Bill 52.

The other important principle I referred to is the principle of flowing back to Albertans and producers in Alberta the export differential, which occurs at the United States border when natural gas is exported from the province. We felt this was an extremely important principle. As members know, in the case of oil there is an export tax at the border to the United States. That export differential flows back to eastern Canada to subsidize lower prices in that part of Canada which imports oil for its needs. All members know that the Province of Alberta objected to that matter very strongly when it was imposed in Canada. We felt it was extremely important that with the export differential on natural gas, those funds should flow back to the province, to the producers of the natural gas, and through our royalty system, to the people of Alberta who own that depleting resource. This bill provides for that flowback. It's an important part of the bill.

That basically covers the principles contained in this bill, Mr. Speaker. There is one other matter that I should draw to the House's attention, and that is the matter of the potential for extracting ethane from the natural gas flow. The hon. members are aware of our moves in developing a petrochemical industry within the province. It is important to ensure that there will be efficient extraction of ethane within our province, since it is such a valuable commodity in the petrochemical industry which we are developing within this province.

Mr. Speaker, I'd welcome the views of the members on The Natural Gas Pricing Agreement Act. It is an important bill, and should they have any questions or comments they would like to raise, I'll try to deal with them when I close debate on the bill.

MR. CLARK: Mr. Speaker, in taking part in the second reading of Bill 52, I don't think I'm going to disappoint the minister so much this time. I find myself in a position where I can support the basic principles involved in Bill 52.

I find myself in a rather unique situation also, Mr. Speaker, because I did a considerable amount of work on Bill 52 over the weekend. I caught the PWA flight from

Calgary to Edmonton this morning at 7:30, and somehow my baggage ended up in Lethbridge.

[laughter]

I'm very disappointed that the Minister of Transportation left the House just a few minutes ago. I was going to relate my sad experience to him. However, it's supposed to be arriving here, or should have arrived here not very long ago.

MR. GETTY: A government air line. . .

MR. CLARK: A government air line, you're right.

Now to get on to the matter of the bill itself. We find ourselves in a position where we support the basic principles involved in the bill. There are four questions I would like to ask the minister. Perhaps he'd be able to comment on them in the course of concluding the debate.

Is the government giving serious consideration to setting up another mechanism to administer the natural gas pricing agreement or, in fact, will it be the Alberta Petroleum Marketing Commission?

Secondly, I'd like to ask the minister if they've given some consideration to the problem of people or companies in the United States which made front-end funds available to encourage drilling exploration some years back. What provision is there in the legislation for those firms which provided exploration funds several years ago to, in fact, now recoup a portion of those funds, whether as interest charges or interest arrangements? I'd like to ask the minister the government's view in that particular area.

Thirdly, I'd like to ask the minister a question on the flowback as it relates to some sort of system of rewarding those companies in Alberta which will in fact take that flowback money and re-invest it here in Alberta as far as exploration is concerned, primarily in the gas industry.

It is my understanding that northwestern Alberta likely has the greatest potential for additional wells in the future. Is the government, in the course of developing the regulations for Bill 52, giving some consideration -- you would almost say reward system I guess -- to those companies which invest more in the province? I know there may be some problems in going that route, as far as Bill 52 is concerned, and is presently set out. But I'd be very interested in the minister elaborating in the area of what portion of this money he expects to see go back into exploration here in the province.

Mr. Speaker, at this time, those are the comments I'd like to make in dealing with the principle of Bill 52.

MR. NOTLEY: In taking part in this debate, I'm not going to disappoint the minister. He's going to be able to get up and tear a strip off somebody when he concludes debate, so I wouldn't want him to feel that there was unanimity in the House on this question.

I would say however, Mr. Speaker -- just beginning my remarks -- I do agree

with one part of the principle of the bill, the phasing in of natural gas prices over the next several years. I feel this is probably a worth-while step, and marks an era of perhaps a little more conciliation, as opposed to the confrontation which occurred between the fall of 1973, and certainly right up until June of this year.

Mr. Speaker, in dealing with some of the concerns that I would express about Bill 52, first of all let me just go back, as the minister did, to the export tax which was levied in September 1973. At that time, of course, the government of this province took a very strong stand in opposition to the export tax. I stood alone at that time in saying that the principle of an export tax was a valid one. I felt that the proceeds should come to the producing provinces -- which, I might add, was the official position of the party I happen to lead -- something which was lost in much of the ensuing debate. But in any event, Mr. Speaker, the argument I presented at that time was that the export tax offered an opportunity to obtain in the American market essentially what American refiners were paying for offshore and American crude; and that the windfall, over and above extra costs which could be documented in terms of exploration and production, should accrue to the people who own the resource, namely the people of Alberta.

That is sort of the vantage point of my concern about the present bill. Clearly, the first thing we have to look at, Mr. Speaker, on the question-mark side, is the financial implications for the companies and the province. There is no doubt that increasing the price of natural gas is going to yield substantial additional funds to the Treasury. At the same time, Mr. Speaker, as I look over the provisions of this bill, there will be a very, very healthy increase to the producing oil companies.

First of all, as I read Sections 7 and 8 of the act, we're going to see quite a substantial increase in the basic wellhead price of natural gas. We're going to look at a border price of approximately 85 cents, and then, less the transmission charges, I think 72 cents at the wellhead would be an approximate estimate of the price. The wellhead price, according to the figures I've received at the present time, is somewhere in the neighborhood of 45 cents per MCF.

So there is going to be a very substantial increase in the basic wellhead price for all natural gas produced in the Province of Alberta. If you take half of that as a royalty rate to the province, approximately \$270 million more will accrue to the industry by increasing the basic wellhead price of natural gas. Add to that the 50 per cent of the export differential -- I've seen one set of figures at \$150 million for the producers, and another set, quoted in The Globe and Mail from the National Energy Board, which would yield \$230 million. Whether it's \$150 million or \$230 million, that's considerable additional money from the rebate of the export differential revenues which will go back to

the producers. So we're looking at an increase of approximately \$500 million to the producing oil companies.

Now, Mr. Speaker, in my view, in order to judge this question of whether the producing companies deserve that kind of increase, we have to ask ourselves: what are the obvious reasons for Canadians, and Albertans in particular, to justify turning over that kind of increase to the industry? The argument we receive over and over again is that we have to explore for new finds of oil and natural gas. And that's a pretty plausible argument.

But, Mr. Speaker, what troubles me is that when one looks at the statistics -- and I've cited statistics before, but I'm quoting from the July 21 edition of Oilweek -- one does not see any evidence at all that increased revenues to the industry are, in fact, finding their way back in the form of additional exploration in the prairie provinces or in the Northwest Territories.

Mr. Speaker, let's look at the statistics. In 1973, the gross production revenues from crude oil, natural gas, sulphur gas liquids, totalled \$3,044 million. Of that \$3,044 million, Mr. Speaker, industry expenditures -- and I cite the provinces of Alberta, Saskatchewan, Manitoba, British Columbia, and the Northwest Territories -- amounted to \$516 million, or 17 per cent of gross revenue. But in 1974, that dropped sharply, dropped, as a matter of fact, to 12 per cent. And in 1975, while the gross revenues had risen from \$3,044 million to almost \$7 billion -- in other words, more than twice the revenue -- the exploration budget of the industry has dropped from \$516 million to \$510 million; in percentage terms, Mr. Speaker, a very drastic drop from 17 per cent to 7.4 per cent. One can look at the projections for this year, and you find a modest increase in exploration projected for Alberta, some \$6 million. On the other hand, there was an equally modest increase for British Columbia of \$6 million in exploration. That information is contained in the February 17 edition of Oilweek.

Mr. Speaker, the point I'm trying to make is that if this large amount of money, substantially in addition to the amount which the government first calculated when they announced their royalty structure in April, 1974 -- members will recall at that time the differential royalty, the surcharge royalty was going to be 65 per cent. Admittedly this was before federal taxation measures were brought in, but we have subsequently seen a retreat by the federal government in their initial proposals. We're looking at a 65 per cent additional royalty that has been dropped to 50 per cent. The point I'm trying to make, Mr. Speaker, is that for us to be able to justify this additional revenue to the industry, it seems to me there has to be some concrete evidence that a large part of that additional money is in actual fact being ploughed back by the industry into additional exploration in this province and elsewhere in Canada.

I don't argue the fact that hon. mem-

bers would be able to cite the books of certain companies who are doing that. No question about that. But I think if you look at the pattern as a whole -- of all the companies in the industry -- you will find, Mr. Speaker, that while the revenue has gone up very substantially, more than twice, the amount of exploration has actually dropped.

That's why, Mr. Speaker, I believe the proposal the Premier of Saskatchewan made at the energy conference in 1975, shortly after the people of Alberta went to the polls -- in the month of April, I believe -- of a national energy security fund is well worth looking at. If we don't want to do this as a country, perhaps we should be looking at some variation of this scheme for the province, so that if additional funds are to go back to the industry, we have a right, Mr. Speaker, to insist that those surplus funds are actually invested in exploration, in finding new sources of oil and gas in the Province of Alberta.

Now, I'm sure that all sorts of people, in the course of the debate, will stand and say, oh, we can't possibly do this, because this would offend the principle of free enterprise, and everything else. Mr. Speaker, I remind members what the Premier said the other day in his initial speech. He admitted that, in his view -- and he'd come to this conclusion reluctantly -- the Province of Alberta had to embark upon a program of wage restraints. He then went on to make the point that if we're going to have wage controls in Alberta, we have to have rent controls.

Well, Mr. Speaker, if we can accept the proposition of controlling the right to bargain for more money for workers, if we can accept the proposition of controlling rents, it equally seems to me we have an obligation to ensure that if there are additional funds flowing to the industry, from this bill, those funds actually end up in additional exploration, which we can clearly identify as extra funds which would not otherwise have been invested.

I should point out, Mr. Speaker, that these figures I've cited are even more depressing when you keep in mind that this particular Oilweek I'm citing is in July, some seven months after the ALPEP plan was announced, and the reason the government of this province announced the ALPEP plan was to modify the impact of federal taxation measures. Mr. Speaker, I'm saying to the Assembly that I need more concrete evidence than I've seen to date that windfall revenues to the industry are going to show up in actual statistics, in terms of additional footage drilled in this province.

Mr. Speaker, I think the second major question that has to be asked, when one reviews the legislation, is to ponder the impact on consumers in Alberta, because quite obviously, if you are going to increase the price of natural gas, there will certainly be more royalty income, and what have you. But we also know that this is going to increase the price of natural gas for consumers.

Now, I would like the minister to answer a specific question in the legisla-

tion itself -- if he would care to take a look at Section 7(2) of the bill, on page 4. Read that section and contrast it with Section 12(5)(b). In closing debate, Mr. Speaker, I would like the minister to clarify what the exact position is with respect to domestically consumed natural gas in the Province of Alberta as a result of this bill. Section 7 -- just to outline my interpretation of it -- is very clear. It says that as long as there is a federal-provincial agreement in effect, natural gas used in Alberta will be the border price, the 85 cents less the 12 or 13 cents, so we're looking at the 72 cent figure.

As I read Section 12, it seems to me that what that says is -- I'm sorry, I misled you here. It's Section 12(3), and it's Clause (b). It seems to me that section says, Mr. Minister, that the contract price, if it's lower than 72 cents -- say it's 45 or 50 cents; it's an arbitrated price subject to the old Arbitration Act that we passed in 1973 -- that price would prevail or the lesser of the border price or the contract price.

I think it is very important that we get it straight in understanding what, in fact, consumers in Alberta are going to be looking at. Will we be looking at the border price? Because the impact, Mr. Speaker, will be quite direct on consumer prices in Alberta, whether the price of natural gas is going to go up by 25 or 30 cents per MCF or not. That will have an effect on what the Minister of Utilities has to consider in terms of the rebate plan.

I would just simply say, Mr. Speaker, that according to the statistics I've been able to uncover, Alberta consumes approximately 350 billion cubic feet of natural gas a year, and an increase of 28 cents would mean approximately \$150 million more in consumer cost to the people of Alberta. Well, Mr. Speaker, for institutions in Alberta -- school boards, hospital boards, local levels of government that would now have to live within the 11 per cent guidelines imposed by this government as far as their grants are concerned -- the prospect of that kind of natural gas increase during 1976 or 1977 is going to be rather inhibiting, to put it mildly.

Mr. Speaker, I don't think there's any doubt that the price of natural gas has to rise. I'm sure all members, wherever they sit in the House, accept that proposition. I also would laud the government for acknowledging that this has to be phased in, in co-operation with the rest of the country. Where I do differ, however, is that in my view we're going to provide very substantial windfalls to the industry, without sufficient guarantees that that additional money will find its way into concrete exploration and development activity in this province.

I would simply conclude my remarks, Mr. Speaker, by saying that the proposal for an energy security fund, which was advanced and discussed and which several other provinces found attractive at the National Energy Conference in Ottawa in April of this year, made sense to me at that time.

But when we are now looking at a situation where we are insisting that Canadian workers, landlords, and other parts of the economy have to follow pretty strict guidelines, it seems to me not unreasonable to say to the industry: if you're going to enjoy additional revenues as a result of higher prices, those revenues have to be re-invested in the country to find more gas and oil.

MR. PLANCHE: Mr. Speaker, I'm delighted to have the opportunity to make a remark or two on Bill 52. My constituents, naturally, are very pleased with this development, and I'm sure that both exploration and in-field drilling will indicate their acceptance of this with gusto.

I don't know whether the remarks I'm about to make are in context with this particular stage of second reading, but I'd like to ask the minister, if I may, whether these rebates will apply to the Saskatchewan power production in southeastern Alberta. There is considerable concern that exports to Saskatchewan from Alberta might well be sharply curtailed, or at least not expanded any further, so that Saskatchewan would be in a position where it would have to drill for its own gas rather than sitting on reserves, waiting for the market to become more favorable.

I'd also like to ask the minister, if I may, whether the mechanics are in place, or how he would propose to handle the problem of rebating the Alberta producers who have implemented their ability to produce by using British Columbia gas. Perhaps he could indicate a response to that when he closes, or at some later date if it's more appropriate.

I'd like to close by saying that I am certainly very strongly in favor of Bill 52.

MR. HORSMAN: Mr. Speaker, if I may ask the minister to clarify a point of some concern to the people in southeastern Alberta. Representing, as I do, the gas city, named many years ago because of its supply of natural gas, it is of great concern to us. Needless to say, people in my part of this province are greatly concerned that the natural gas is being sold at far below its real value, and we're pleased to see we will be receiving a fair value, particularly for that great resource which is being sent out of this province.

You know Medicine Hat was described by Rudyard Kipling as the city "with all hell for a basement". Of course, when he did that he was not referring to the morals of the people who live there . . .

AN HON. MEMBER: Are you sure?

MR. HORSMAN: . . . or their MLA back in 1910.

At one time the street lights in Medicine Hat were lit by natural gas, and they were never turned off, because it was more expensive to turn them on and off than it was to burn that natural gas day and night. At one time as well, when visiting dignitaries came to Medicine Hat, the entertain-

ment provided was to flare a natural gas well for the spectacular sight it provided. I'm not being critical of my predecessors in Medicine Hat, but I think it demonstrates how little value really was placed on this natural resource. Therefore, it's a great concern of mine that we preserve it, and get a fair price for that which we sell.

One thing that concerns me, Mr. Speaker -- I hope the minister can answer this -- relates to what will happen to producers who have long-term gas supply contracts, where they're required to sell at anywhere from 10 to 20 cents per 1,000 cubic feet. Will these producers who receive benefits under the flowback provisions under Section 14 of this act and the regulations being made under the act, be required to comply strictly with the terms of their existing gas sale contracts in order to qualify for such flowback benefits? I would suggest, Mr. Speaker, that this is a matter of very great concern to the people of my part of the province, particularly in regard to the city of Medicine Hat, which is a major producer of natural gas in its own right, and a purchaser under gas sale contracts with other individual suppliers.

I know there are producers in our part of the province who are receiving so little from the long-term contracts that they are refusing to introduce any new exploration or supply systems because they just can't afford to do it. Now, if they receive from this flowback provision anything in the neighborhood of perhaps -- and using this only as an estimate -- 20 cents per 1,000 cubic feet, that will put them in a much better economic position to carry on that exploration.

I'm sure the temptation must be very great to companies under these long-term contracts to abandon the contracts if they possibly can. I would hope that flowback provisions and flowback benefits will only be allowed to those companies which comply with the terms of their contracts with the primary purchasers. I would appreciate a clarification of that particular point.

DR. BUCK: Mr. Speaker, I would just like to make a comment or two on this bill. First of all, I would like to say, Mr. Speaker, the longer I stay in this business, the more cynical I become about experts. So I want to question the minister on the reserves which we have in this province.

I certainly agree that we're going to find more natural gas. I do not believe my friend, who is politically to the left but sits to my right, is so concerned about these windfall profits. I think governments are treating private industry more and more harshly all the time. They're almost bringing them to the position where they can't afford to go out and make a dollar. I think governments are becoming so involved in the private sector of the economy that the private sector is almost starting to say, we know we're going to be raped, let's not fight too strongly.

But getting back to the cynicism about experts, 15 years ago we were told that we

would have crude reserves that would last for 20, 25 to 30 years. Now we're finding out that within 8 to 10 years our known crude reserves will be used up.

So, Mr. Speaker, I would like to ask the hon. minister, do we have this so-called 30-year rolling reserve of natural gas? Some of the reports seem to be conflicting, some of the reports of the National Energy Board seem to be conflicting, that maybe we don't have this 30-year rolling reserve. So I think it's only fair to the people of this province that we as legislators, as a Legislature, and the hon. members opposite as a government, reassure us without any doubt that we have these reserves. Because if we do not, I think we have to look very closely at what we're doing for the export market.

I don't want to sound parochial, but I feel that because the product is here there should be an Alberta-first policy. I think we have a responsibility to the people in this province first. If we're going to build this petrochemical empire that his majesty -- I mean the Premier -- speaks of, we have to have the reserves.

An area, Mr. Minister and Mr. Speaker, we should look at is, let's not be in too big a hurry to send everything down the pipeline from the Suffield Block. I think we should look at areas around the major centres, that includes Medicine Hat and Calgary, where part of a known proven reserve as large as the Suffield Block should be frozen so we can say to the people of this province, we have sufficient reserves in that block to power the industries and homes in Medicine Hat, Lethbridge, and Calgary for 50 years. Let's not get in such a big hurry to ship it down the pipeline.

We could also project this throughout the rest of the province, that we have areas we freeze for future generations. Mr. Speaker, these are the few areas of concern to me, so I would be pleased if the minister can reassure me that the reserves are there and will remain there. Thank you, Mr. Speaker.

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

HON. MEMBERS: Agreed.

MR. GETTY: Mr. Speaker, I want to thank the hon. members who've participated in the debate on this bill today. I made some notes as quickly as I could while they were talking. I hope I can cover the matters they asked about. If I miss any, I'll certainly take the opportunity to discuss them with the hon. members, either in the House at another time, in committee, or outside the House at their convenience.

The first question the hon. Leader of the Opposition raised was: what mechanism might be used for administering the pricing of natural gas within the province? He asked me whether it would be the Alberta Petroleum Marketing Commission, or the Department of Energy and Natural Resources, or perhaps even another agency.

I have to tell him at this time that

while we have a task force presently operating within the province, headed by the chairman of the Alberta Petroleum Marketing Commission, working out with industry the most efficient way of administering the natural gas pricing agreement bill, we have not made a decision yet as to whether the actual administration will be within the Alberta Petroleum Marketing Commission or the department. We would like it to be in the place where it is most efficient, causes the least amount of upset within the normal marketing processes in the natural gas industry, and will cost the taxpayers of Alberta the least amount of money.

One of the reasons we have not made our decision yet is that we are presently undergoing a review of the various energy decision bodies within the province, under the supervision of the Chief Deputy Minister, Dr. Govier. I'll want to see how the potential restructuring of energy matters within the province is recommended, and then see whether it would be best for the natural gas pricing agency to stay in the department, or within the Petroleum Marketing Commission, or some separate body. I must say that decision has not been made; however, there is a task force working right now on setting up the means of handling it.

The Leader of the Opposition also asked me about the potential to allow interest charges on exploration funds, which were advanced in the past to producers to find more natural gas reserves in the province; how might those interest charges be allowed to be recovered by the companies. We now have a provision in the bill for a cost of service to the pipeline companies. However, if it appears that cost of service definition is not broad enough to catch the payment of those interest charges I referred to, and which he raised in his question, it will be our intention to bring in an amendment at committee stage which will allow the interest charges to be covered in the cost of service definition. That has been the way it's been handled traditionally with these companies. We would not want to change that return on their money, which was very important money in finding reserves in our province.

The third point the hon. Leader of the Opposition raised was whether there would be some way of rewarding those companies in Alberta which would take the funds and plough them back -- I imagine he meant into exploration or development within the province. We do not contemplate using the bill in that way. There is the Alberta incentive program now, which we know is working very well in the province. There is federal legislation which encourages companies to spend as much of their revenues as possible in Canada, or they will be highly taxed. Those two factors are the best way to encourage companies to drill in our province and in Canada.

But I'd like to draw the attention of the hon. Leader of the Opposition to the fact that we are providing in this bill that the export differential funds flow back to all companies, whether they are in fact selling natural gas to export markets,

or selling it within Alberta. That was a matter we had considerable discussion about with the federal government. It appeared for a time there was going to be the necessity, or the desire on their part, to have the funds go only to those companies who sell gas to export. We felt it would be far better if the export differential funds flowed to all producers within the province, and therefore provided greater cash flow to them to find additional reserves within our province and to supply Alberta users.

The Leader of the Opposition mentioned four questions. I got three but missed the fourth, if there was one. I'd welcome him to raise it again at another time.

The Member for Spirit River-Fairview mentioned that he felt there was a greater degree of conciliatory attitude now, with regard to the federal government, shown in this bill. Perhaps he's right in that regard. We are on a more co-operative basis with them, though it's because we feel they now appreciate some of the arguments we've made in the past. I would draw his attention to the fact that, I believe because Alberta took such a strong stand with regard to the export tax on oil, there is not one now on natural gas. This bill clearly evidences that those funds are returning to the people of Alberta and the producers in Alberta.

He also mentioned that it appears this could be a windfall to producers, but then used the term, it's a healthy infusion of funds to the industry. I prefer to think of it as a healthy infusion of funds to industry. The funds will, in greatest proportion, find their way into exploration and development in Alberta and Canada. As I pointed out, there is federal tax legislation which provides great incentive to companies to spend as much of their revenue as possible in exploration and development, to reduce their taxes.

He asked me about the impact on Albertans, and referred to two parts of the bill. I could see where he might have misunderstood the two sections of the bill he referred to. To make it clear, without referring directly to the bill -- although I think if he reads it again he'll see this is what is accomplished -- if a company wants to sell natural gas in Alberta at a higher price than the export price, the provisions he referred to, of Section 7 on page 4, prevent it from doing that. In other words, to sell gas in Alberta, you must sell it at the Alberta border price less costs back to the wellhead. You must sell it no higher than the Alberta border price less costs back to the wellhead. Therefore, under Section 7, it prevents anyone charging higher in Alberta than outside Alberta, should they have a contract purporting to do that.

The other section he referred to, on page 7, provides that should a company have a contract price less than the Alberta field price, calculated as it is in Section 12, the lower price is in effect. It's a relatively complicated way to say that if there are lower prices within the province, this bill will not upset those prices. If

there was intent to charge higher than the export price within the province, this bill would prevent that.

The hon. Member for Calgary Glenmore asked about the natural gas exported into Saskatchewan. I would only say, that gas will be caught just like any other gas exported from our province. It will have to be sold at the Alberta border price. Therefore, they will be selling that gas in Saskatchewan -- the border price works out to 85 cents -- then it will be 85 cents, plus the transmission cost to whatever part of Saskatchewan it's being used. It will no longer go out at a very low price.

I missed his other question. It had to do with B.C. I didn't get it, and I'll talk to him about it later.

The Member for Medicine Hat-Redcliff asked me whether producers with long-term contracts at low prices would be required to stick to their contracts and commitments because of this bill. This bill is not intended to be used as a lever in that regard. That would be a contract between two people. I expect the courts would cause a company to live up to its contract. I only add this: because we've insisted that producers who will sell natural gas for domestic markets will get a part of the export differential, then they will have additional funds they would not otherwise have had, and will, in fact, have a deemed wellhead price of their existing wellhead price plus the flowback. If they had a 20 cent wellhead price in Alberta, selling to the city of Medicine Hat, they would also get, perhaps, another 20 to 25 cents. They would have an effective wellhead price of 40 to 45 cents an MCF. I'd have to look into the special circumstances with regard to the supply to Medicine Hat. It's not our intent at this stage to use the bill in that way as a lever on companies.

Mr. Speaker, the member from Fort Saskatchewan raised the question of Alberta reserves and whether our 30-year supply is factual and solid. I must say I am firmly convinced that is a safe 30-year supply. It has been reassessed and confirmed again in a recent report from the Energy Resources Conservation Board. He should be careful not to make the mistake of confusing Alberta reserves for the future with Canadian reserves for the future. There should be no question in his mind that Alberta's reserves are protected on a 30-year supply, plus some additional amounts that are still available.

He made the point that we should not be in a hurry to send reserves down the pipeline to eastern Canada. I would sure point out to him that the pressures have been the other way. It has certainly not been the policy of our government to be in a hurry to export additional gas out of Alberta. As a matter of fact, since we have come into office there have been no additional exports. All the exports that are going out of the province, except for one very small amount, were approved prior to this government coming into administration.

We have not been in a hurry. We have considerable pressures from other parts of

Canada requesting that additional reserves leave the province, and we've been reluctant to make that commitment until we're sure they are surplus. We are satisfied of that now. The other question has always been whether they would bring fair value. I think, as I pointed out, we are making a great deal of progress in that regard.

So, Mr. Speaker, I would only say again that this is an important bill. It is a bill that provides a significant increase in natural gas prices to users of Alberta natural gas outside of our province. It does reflect a co-operative attitude between Alberta and the federal government. As was pointed out, it runs until June 30, 1976. Then presumably two things would happen: either we will enter into a new agreement which will be based on an increased price for oil and, since natural gas is being priced in parity with oil, we should have a new natural gas pricing agreement. If we do not, it would be possible we will have to establish another way to price Alberta natural gas. It's hoped we will have additional legislation to present to the House to take care of that circumstance.

Mr. Speaker, I would urge all members to support this legislation.

[Motion carried; Bill 52 read a second time]

Bill 48

The Coal Conservation Amendment Act, 1975

MR. GETTY: Mr. Speaker, the members have heard enough from me today, perhaps, so I will try to keep my comments on this bill as brief as possible. Therefore, Mr. Speaker, I'm pleased to move second reading of Bill No. 48, The Coal Conservation Amendment Act, 1975.

The essential part of this bill, Mr. Speaker, is a recognition of the tremendous new awareness that our coal reserves will play in the future, and the increased interest that many people, many companies, are having in Alberta's coal reserves. I believe coal is really the energy source of the future, and we will have placed before us many unique and interesting ways in which that coal can be developed and used, both within our province and outside.

The principle in this bill is to strengthen provincial control of the development of our coal resources, through the Energy Resources Conservation Board, and through the industrial development permit principle which we have introduced in the matter of natural gas and oil within the province. We are now introducing that principle with regard to coal.

I think it's timely that we do strengthen our control over the development of coal. Members may have recently seen some publicity regarding the prospects for coal gasification in Alberta, a report which was put out by the Energy Resources Conservation Board in September. If they haven't seen that report, I think they should avail themselves of an opportunity to read it.

It was kind of a surprise to me how quickly the technology has moved in the area of coal, in this case coal gasification. While I tended to think of coal gasification as being some time in the future -- thinking of 10, 15 years -- in fact, this report makes it clear that coal gasification, as one use for our coal reserves, is here right now. I'm sure it will be a matter which we will be dealing with in the future as a government and as a Legislature.

So, Mr. Speaker, I ask the members of the House to support Bill No. 48.

MR. CLARK: Mr. Speaker, in commenting on second reading of Bill No. 48, might I say that I think this legislation is basically appropriate at the time, at least the principle of the industrial development permits is. Really, it is a follow-up to what the government established, I believe about two years ago, when in fact the move was made by the then Minister of Industry in the direction of industrial development permits. So I have no qualms about that particular move.

I do have three areas of concern I'd like the minister to comment on, in the course of concluding the debate. I'd like to ask the minister, why have power plants been made exempt under Section 21.1(2) (a)? The section says: "for the operation of a power plant as defined in The Hydro and Electric Energy Act". I'd be interested in hearing the government's reasoning in that particular area.

The second area of some concern deals with the question of: "The Board may hold... hearing[s] with respect to an application under this section". Now I think I can recognize why that doesn't say, the board shall hold hearings, because there can be, I suspect, minor amendments, minor changes to permits, and that doesn't concern me. But I would feel much more comfortable about Subsection (4), when it talks about the board holding hearings, if it were to say, the board shall hold hearings unless otherwise directed by Executive Council, or something like that. Then, clearly, the decision not to hold the hearing would be the responsibility of the elected representatives, rather than the Energy Resources Conservation Board.

As I say, I don't think I'm unduly concerned about minor adjustments or minor changes in permits. But when it comes to a matter of a new industrial development permit, it just seems to me that it's good, common, ordinary sense that the board shall hold hearings under those particular circumstances.

While we're talking about the hearings, I would like to point out to the minister that, during the spring session when hearings were held in Red Deer about the petrochemical developments there, the government viewed the hearings by the Energy Resources Conservation Board as, in fact, public hearings on that occasion. I think many people -- at least some people would have liked to have had those public hearings held by the Environment Conservation Authority.

I say this primarily for one reason: the hearings conducted by the Energy Resources Conservation Board don't lend themselves, because of the technicality and procedure used, to the kind of broad public input the ECA does. I want to be very clear I'm not being critical of the Energy Resources Conservation Board. But, because of the technical approach that they must take, I think it's really almost impossible for individual citizens, whether or not they support what's going on, first of all to really understand what's going on, because of all the background papers which have been submitted to the board previously. While I didn't attend those meetings in Red Deer, from talking to some people who supported the proposition in Red Deer, but who attended the hearings, this was their particular view also -- that surely we'd have some better mechanism for the broad general question than the hearings which were held at Red Deer by the Energy Resources Conservation Board.

One other concern I have deals really with the question really of the guidelines that the board is given, by means of legislation in coming to a decision. If I interpret Section 27.1(5) properly, it says:

The Board shall not grant a permit under this section unless it is of the opinion it is in the public interest to do so having regard to, among other considerations... the efficient use...

and then (b) says: "the present and future availability of coal".

I would urge the government to include a third section in there, which would deal with the question of the environment. I know that some members will say, under (5) that can be dealt with, the best public interest.

But it does seem to me, if we're going to use the Energy Resources Conservation Board as the only mechanism for hearings here -- and I get that rather uncomfortable feeling -- then we had best be saying to them, in addition to efficiency and availability, you had better look at that particular aspect too. In trying perhaps to anticipate the argument the minister might use, the minister may well come back and say, but industry pays for a portion of the cost of the operation of the board, and in fact the board is primarily concerned with conservation as it relates to the good usage of our resources and long-term availability -- and I would agree. But if we're going to use the board in the manner that it was used at Red Deer and likely is going to be used in these industrial development permits, especially as they relate to coal, then I would urge the government to consider putting a third term of reference there, and spelling that term of reference out, centring around the environment.

I'd just make one other comment there. I would genuinely hope, when we look at this legislation, this isn't an indication that the government is quietly going to move away from using the Environment Con-

servation Authority as an excellent means for public input, and move more in the direction of the ERCB being used as the only agency which would, in fact, hold hearings on matters such as major coal developments.

The last comment I'd like to make doesn't really relate to the bill itself, but I'd like to ask the minister if he could give us some indication, when we're looking at a revision in the question of coal royalties -- I know that's come up several times -- could we have an updated report as to what the government's thinking is in that particular area, and perhaps some sort of a time frame?

MR. STROMBERG: In relation to this bill, Mr. Speaker, I'd like to mention to the minister that in his remarks regarding coal gasification, presently the Energy Conservation Board and the Alberta Research Council are conducting tests on coal gasification at the Manalta coal field at Forestburg, in my constituency. They have worked reasonably successfully up to this point. A number of pipes have been injected into the coal seam, both water and air have been used to fracture the coal, and they have got circulation through. This coming spring they hope to set a controlled fire to bring out the methane gas.

What I would like to point out to the minister is that those experiments now are stopped due to funding. Something [inaudible] as important as the promise and the prospect of using methane gas to fire the boilers at these terminal plants. I think this is the type of experiment that should go ahead almost full blast, because it could be the answer for the deep seams in the eastern slopes that they are unable to reach by strip mining. It certainly could be the answer for the Dodds-Round Hill proposed power project.

MR. TAYLOR: Mr. Speaker, coal has never really been appreciated enough as a source of energy. Alberta has vast supplies of oil, gas, hydro, and coal; and most countries would be happy if they had one of those sources of energy. Possibly because we have so many sources of energy, coal has been relegated to a secondary position for many, many years. Coal was unable to compete with gas, oil, propane, or water power. The very nature of coal mining makes it more difficult to produce. Until more modern methods are found -- possibly burning the coal underground and harnessing the energy, if that is ever fully realized -- coal will always be relegated to a secondary position, unless it is given a boost and some recognition that it is an important source of energy. We can't underestimate the importance of it. If the Arabs have done anything, they have made us realize how important coal is. If we come to the place in our experience where we run out of gas and oil, coal will then, of course, come conspicuously forward as one of the alternatives.

So I want to commend the government for bringing in the bill, and for placing it in

the same category as other sources of energy, putting it under the Energy Resources Conservation Board, and setting out the fact that coal is not going to be wasted any more. I was very happy to see that clause among the sections the board would have to consider: "the efficient use without waste of coal", because for many, many years in this province coal has been wasted in a very, very conspicuous way. Thousands of tons, maybe millions, but certainly thousands and hundreds of thousands of tons of good coal have been burned in slag piles, doing absolutely no good, because there was a very small slice of bone on the side.

I remember as a youngster being chased away from the bone piles many, many times. We went there to get our coal supply by cutting off the small slice of bone. For years, from Grade 2 to Grade 12, I don't think we ever bought a ton of coal in our home, nor did many mining homes in the Drumheller valley. You went to the bone pile. Some of the companies even took the negative attitude that while they couldn't sell it, they'd much rather see it go up in smoke than have the people carry it away in their wagons.

I hope that idea of waste is gone, because coal is being recognized today as too valuable a source of energy to be burned up uselessly in bone piles. So I'm happy to see that the board now is going to have some control over this, and it can look after "the efficient use without waste of coal".

I'd also like to deal for a moment or so with the amendment to license or permit. The act does say that the permit or licence must be in the public interest -- and I like that clause. But it doesn't appear to say, as I read the bill, that any amendment must also be in the public interest. Now perhaps it goes without saying that the amendment would have to be in the public interest. But I'd feel a lot better if the act definitely said that any amendment that came to the original licence would also be in the public interest.

I like that public interest thing, because if we listen to the extreme conservationists, or the extreme environmentalists, we wouldn't mine one ton of coal in this province. It's just absolutely impossible to mine coal without some pollution. I agree with the attitude, at least as reported, of the Minister of Environment that these things have to be kept to tolerable minimum. We don't want to destroy any more property or pollute the air any more than necessary, but if we're going to mine coal, let's be realistic. There's going to be some destruction of some parts of the environment. You just can't get away from it. Anybody who has ever lived in a mining camp will know that.

I certainly don't want to condone useless destruction or useless pollution, but if we are going to take a realistic attitude we have to recognize that there will be some pollution. I think it can be kept to a tolerable standard, a tolerable minimum, where it won't really do any harm to anybody. Coal is too valuable a resource

to simply leave in the ground because we're going to have to tear up the ground to get it out, or because we're going to put a few bits of pollution into the atmosphere.

While I believe in pure air, pure water, and good soil, I also realize that unless we have energy, those other things aren't going to mean very much to us. Coal was put there for a reason. It's a tremendous, wonderful source of energy, and I'm glad to see it coming into its own. For many years, I have believed coal should be used in our industry rather than gas. Gas is a wonderful source of energy, a clean source of energy. If we could use gas more and more in our homes and use coal in our industry, it means that gas is going to last that much longer, it's going to be that much more valuable to this generation and future generations. In my view, this is a proper use for coal.

For many years, those who devoted their lives to coal mining in this province received a mediocre sort of living. When you look at the wages for mining a ton of coal, or for cutting a seam of coal, or even working as a driver or in any other position in the underground, the wages look fairly good today. But for many, many years the wages were down at the bottom of the ladder, and the people in the mining camps underwent tremendous privations, because they worked maybe two or three months a year and had to live the balance of the year on that income. As a result, hundreds of young people today who came from mining homes are in other industries. They had such a bad taste left in their mouths, through actual hunger when they didn't have a pay cheque coming in and no credit at the grocery store, that they got their fill of coal mining; today many of those people would never return to a coal mine.

I'm glad to see coal mining coming up to a better standard in wages and the type of living -- better homes where our coal miners can find themselves as equals with anybody in any other type of industry, any other type of work, where they are recognized as doing a useful job. I'm hoping that this Coal Conservation Amendment Act will not only conserve our coal, but will also mean more mining of our coal, and a better standard of living for those who work in the bosom of the earth or the bowels of the earth, whatever you want to say. Sometimes we call it the bosom of the earth, sometimes we call it the bowels of the earth. It's hard to reconcile the two, but I tell you, it's down there somewhere.

[laughter]

We certainly have to recognize that it's skill when you are working in either the bosom or the bowels. I would like to commend the minister in bringing this bill in. I'm hoping that this will spell a new day for coal mines and coal mining in this province.

MR. NOTLEY: Mr. Speaker, there are several questions I'd like to raise with respect to Bill 48 which, by and large, I support in principle.

The first question deals with the

exclusion of hydro and power plants fueled by coal from the industrial development permits. I'd like the minister perhaps to advise us just what the course is.

It's my understanding the reason that would be in this act is that the public protection now is somewhat greater under The Hydro and Electric Energy Act. As things stand, if a dam is to go ahead there must first of all be formal public hearings, and then there must be a specific act of the Legislature. Now if that is the situation with respect to an operation such as Dodds-Round Hill, too, then I can certainly understand why this exception would be in there. I would strongly support it being in there, because, at least as I gather, the protection we now have in terms of developing future hydro and coal-fueled electrical projects would be somewhat greater than the public would have under this act.

Now, dealing with Dodds-Round Hill itself, I'd like the minister, perhaps, to comment specifically on this issue when he closes debate. When the issue arose in the summer of 1974, I believe at that time the Deputy Premier indicated he was personally opposed to the development of the Dodds-Round Hill project. It was my understanding at that time that the reason the government began seriously to review the Dunvegan dam and to undertake a major study of that project was at least because of considerable concern over the dangers of developing the Dodds-Round Hill area and the effect on, I believe, 70,000 acres of farmland in that region.

When I raised this question, and other members raised it today in the House, the answer we got from the government was essentially, we're waiting until the technical report from the ERCB is forthcoming. My question really specifically in this respect is: was there a trade-off at some point, was there in fact an unwritten agreement that as we look at Dunvegan there would be a moratorium on the Dodds-Round Hill project?

Moving from there, Mr. Speaker, I'm a little troubled as I read [Section 27.1(7)] at the extent of the regulations exempting anybody from Part 5 of the act. I'll just read it: "any person or class of persons, or . . . any industrial or manufacturing operation or any part thereof or any class of industrial or manufacturing operation". Now, I realize that the Executive Council is going to have some latitude, but it seems to me there's a difference between some latitude and the power to make regulations exempting anyone, anyone, any class of people, "any person or class of persons, . . . any industrial or manufacturing operation or any part thereof or any class of industrial or manufacturing operation" from the provisions of the act.

Now, with the greatest respect, Mr. Minister, it seems to me that in drafting legislation we can be a little more precise than that. I just don't see why, with two sessions of the Legislature every year, we have to provide that kind of latitude. We all recognize some latitude is required, but that is so broad that it makes the rest

of Part 5 rather meaningless. In effect what we're doing is delegating the almost unrestrained power to do what you will in terms of making exemptions to Executive Council.

The other point again relates to the question of the hearings. I notice -- and this has been raised before by several of the other members -- that the board may hold hearings. In many of these cases, the criticism I think has been expressed before that hearings of the Environment Conservation Authority are somewhat broader and more conducive to public input than the very precise hearings of the ERCB. Certainly there have been examples where the ERCB has opened its hearings somewhat. This occurred in the case of the project in Red Deer, as I understand it, where they heard submissions from high school students. But as a general rule, the ECA is a much better vehicle for public input that is not of a highly technical nature.

So those are the concerns that I had. But really, my major reason for rising was to try to obtain from the minister, as much as we can, a clarification as to where things now stand on the Dodds-Round Hill project.

DR. BUCK: Mr. Speaker, I would also like to ask the hon. minister and Deputy Premier exactly what the status of the Dodds-Round Hill area is, because we've had so many conflicting reports. Mr. Speaker, we all know, in speaking on this bill, that coal as an energy source will be required. But we, as members of this Legislature, also want to know if there are alternative areas that can be strip-mined first.

Now I appreciate the Deputy Premier's ability as a politician, because he got himself out of a box by saying there's no application before the conservation board, so there's really no problem. And the Premier assured us there'd be no problem -- before the election, of course. I assured the people down in the area that if they'd just wait until the election is over, they'd start digging holes shortly thereafter, because I'm a little cynical about the way the government acts. But then I became more confused, Mr. Speaker. I became more confused when the former Minister of Environment said, of course we're going to mine it, it's just a matter of time. So, Mr. Speaker, the people in the area would like to know what is going to happen. Two of the MLAs, myself and the Member for Camrose, who are involved because we represent these two areas, would like to know.

As I said, Mr. Speaker, we know that the energy will be required, but we also know as members of this Legislature, hon. Minister of Municipal Affairs, that there are alternate sources of coal on the plains. So maybe this area, which is prime agricultural land, does not have to be used at this time. But knowing the way the government mentality operates, you pick a site and then do everything to justify that that's the best site. I'm not knocking this government. I'm knocking all governments, because that is the government men-

talities. You pick a site and then you do everything to justify it.

So, Mr. Speaker, we are looking forward to finding out from the minister and from the government -- the people in the area want to know if a lot of the statements emanating from the Deputy Premier and the Premier can or cannot be believed.

[interjections]

Well, we know where the Deputy Premier stands, but we want to know where the government stands. So, Mr. Speaker, we'll be looking forward to the minister's reply.

MR. SPEAKER: May the hon. minister close the debate?

HON. MEMBERS: Agreed.

MR. GETTY: Mr. Speaker, I appreciate the interest the hon. members have expressed in this legislation. In dealing with various questions members have raised, I should start with the Leader of the Opposition. He asked why power plants are exempted. The answer was subsequently given, and I think he assumed it also. That is that The Hydro and Electric Energy Act adequately covers power plants, and it would merely be redundant to include them in here.

His second question was why the word "may" is used. Really, that's in there for flexibility, to not force a hearing, and the cost and time of the hearing, should there clearly be no need for it. But I must say it's been the practice of the Energy Resources Conservation Board, and certainly the government, that if there is at all an indication of a need -- actually the board leans over backwards to hold hearings in virtually every case that there's an interest or appears to be the need for a hearing.

He made some interesting comments about the need to have broader based hearings; in other words, a hearing by not just the Energy Resources Conservation Board but perhaps the Environment Conservation Authority as well. He is making an interesting argument there. I'm not sure that the solution is to have a hearing followed by a hearing. Perhaps we should give some consideration to ensure that the Energy Resources Conservation Board's hearings are as broad as possible. I intend to discuss that matter with the Minister of Environment to see if there might be some other way to broaden the base of the hearings. As of right now, it seems to me that the type of hearing that was held in the Red Deer area with the petrochemical development was very broad. The hearings the board held with regard to ammonia development in southern Alberta were very, very broad. People were able to raise all manner of interesting comments during the hearings.

The question about whether environmental approval should be built into this amendment under Section 5 -- I would think those environmentalists would argue against that, because the environmental protection is now within the Department of Environment acts themselves. The minister and the

department must be satisfied under The Clean Air Act, The Clean Water Act, The Land Surface Conservation and Reclamation Act. I think the strength is there, and they would not want to have environmental protection placed instead within the Energy Resources Conservation Board.

He asked me about royalties and a statement of coal development guidelines that we might be making. I feel we've made a great deal of progress during the summer, in talking with various parts of the coal industry about a new royalty system -- as a matter of fact, about a new coal development policy. I hate to give a deadline as to the time our policy statement will be completed, because it seems each time a deadline or commitment for a time is made, other events rush in to cause you to go beyond it and you create false expectations. But I would assure him that we are making a great deal of progress on the coal policy statement.

The royalties matter is one that is not simple. I think I've said before in the House that it has to be a flexible royalty system, one that takes into account the variety of qualities and development problems with various characteristics of coal and coal mining in the province. I've heard the hon. members say, let's increase the royalties by \$1 a ton or \$5 a ton. Certainly it wouldn't make sense to me if we merely arbitrarily raised royalties by a certain amount and put miners out of work, in the area of the hon. Member for Drumheller, who are now keeping coal mines going on an extremely marginal basis, but nevertheless struggling to keep them going. We would not want to introduce arbitrarily royalty legislation or royalty regulation which would harm the economics of those operations just when it appears that they are starting to reach a period when they have nothing but growth in front of them. To knock them out of the ball game now, arbitrarily, would be, I think, disastrous and foolish. So we are trying to develop a flexible royalty system. It will be developed to try to catch these different characteristics and, like all royalty systems it will be a function of income and costs. There are many other factors also which will be covered in the coal development policy. That is why it is taking some time.

The Member for Camrose mentioned financing to assist in additional coal gasification projects. That may be something government should be involved in. There are some recommendations in the board's report on coal gasification in Alberta. They recommend that a council be created, having to do with causing greater progress in coal gasification. The board's report has just come out, as I pointed out, and we haven't had an opportunity to assess it. It may well be that sometime in the future additional financing will be provided by the government in the coal gasification research area.

The questions asked about Dodds-Round Hill, Camrose-Ryley, whichever term you like to use to discuss that proposal, are certainly interesting and valid. I know

there is not presently an application before the Energy Resources Conservation Board. However, as my colleague pointed out today, work is going on to have an application developed. There's always conflict between energy development and conservation and land use. We are going to have to resolve them. Some of them are not simple.

It just seems to me that something like the coal development in Camrose-Ryley will proceed if agreement and approval is obtained under adequate, satisfactory, environmental land use and reclamation guidelines. Unless any application can meet those guidelines, that the government is satisfied are in the public interest, it won't proceed.

I hope that they can meet those guidelines, because as I understand it, the Camrose-Ryley development, Dunvegan, and other developments will be necessary to meet the tremendously expanding power requirements in this province. They will put pressure on us, in a variety of ways, to meet that demand for power. But it's part of an expanding, growing province.

I know that some will use developments like this to cause unrest within the province. But as I say, the conflicts have to be resolved. I expect the government will only allow them to proceed when they are satisfied that adequate protection is built into the development.

I think, Mr. Speaker, I've touched on all the points raised. I ask hon. members to support Bill No. 48, The Coal Conservation Amendment Act, 1975.

[Motion carried; Bill 48 read a second time]

MR. HYNDMAN: Mr. Speaker, bearing in mind the time, I now move that we call it 5:30. Before doing so, or perhaps in conjunction on another matter for this evening, if I could outline business starting at 8 o'clock. In light of the situation surrounding the Alberta Energy Company amendment, and the fact that some members have applied for shares, we'd move into committee study of Bill No. 60, The Alberta Energy Company Amendment Act, 1975, promptly at 8 o'clock, then continue with second readings, starting with No. 38 on the first page, Hospital Services Commission, proceeding down the list to Nos. 40, 43, 44, 45, as shown on the Order Paper.

MR. SPEAKER: Does the Assembly agree that when the members reconvene at 8 o'clock this evening, they will be in committee for consideration of certain bills on the Order Paper?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until 8 o'clock this evening.

[The House recessed at 5:30 p.m.]

[The Committee of the Whole convened at 8 p.m.]

[Dr. McCrimmon in the Chair]

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

Bill 60 The Alberta Energy
Company Amendment Act, 1975

[Title and preamble agreed to]

MR. GETTY: Mr. Chairman, I move the bill be reported.

[Motion carried]

MR. HYNDMAN: Mr. Chairman, I move the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Dr. McCrimmon left the Chair.]

* * * * *

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bill 60, The Alberta Energy Company Amendment Act, 1975, begs to report same, and begs leave to sit again.

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

HON. MEMBERS: Agreed.

GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 38 The Hospital Services
Commission Amendment Act, 1975

MR. MINIELY: Mr. Speaker, I move that Bill 38, The Hospital Services Commission Amendment Act, 1975, be read a second time. Very briefly, Mr. Speaker, this bill reflects the continuing policy of our government to involve members of the Legislative Assembly more fully in the process of government by allowing for the appointment of a member of this Assembly to the commission.

MR. R. SPEAKER: Mr. Speaker, in making some comments with regard to the principle of the bill, I think I only want to echo the words and thoughts we have raised in this Assembly with regards to this basic principle. We certainly do not agree with the principle of MLAs being on commissions, boards, and various other agencies of government. We feel that objectivity is certainly affected, and that it rather defeats the relationship between policy-making and some of the political decisions that are the responsibilities of MLAs.

At this point, Mr. Speaker, I certainly want to put it on record that we still do not support this particular approach to government. We feel it leaves itself open for extra remuneration for various MLAs, [and for] inequities between one MLA and another. I do not think it necessarily brings about better communication between the Legislature and that particular agency. That is the responsibility of a minister. All of us as MLAs have a responsibility to be aware of what each agency, commission, or various body does. If we wish to find out that kind of information, I think we can. On that basis, Mr. Speaker, I don't see myself, or certainly my colleagues, supporting that principle at this time.

MR. NOTLEY: Mr. Speaker, I also rise to oppose the principle of appointing MLAs to government boards and agencies. I would simply restate what was said this spring, during the rather long and boisterous debate we held in the first place on the so-called moonlighting bill. I think the concerns expressed then hold true today.

However, I would like to put a question to the minister. Perhaps it may not, in fact, be the minister who should answer this question. Perhaps it should be the Provincial Treasurer or the Premier. We now have a situation where the government has imposed very definite constraints on expenditures. Everything is going to be committed to no more than an 11 per cent increase, with two exceptions. I would like the minister to advise this Assembly what the government's intentions are with respect to any changes in the remuneration announced last summer. The one set of remuneration, I believe, was \$100 a month plus expenses, the other was expenses alone.

I would like an indication from the government as to its policy on this matter. Are we to see no change during the course of the next 12 to 18 months, the time the so-called Alberta/Ottawa agreement on price and wage restraints is in effect? Are we to see no change in the remuneration set out as per last summer? Perhaps the Government House Leader might be in a position to answer this. I think it is quite important, in reviewing the principle of this matter, to be assured there will not, in fact, be by order in council a doubling or a substitution or an increase in the remuneration for MLAs serving on these boards.

DR. BUCK: Mr. Speaker, speaking on second reading of this bill, I would also like to voice my objection, in that the MLA sitting on the board or commission will [prevent] this body from having the autonomy it should have. All the hon. members of this House know that when an MLA is sitting there, looking over the shoulder of the board making its decisions, they will lose their objectivity.

Now we're all practical politicians, I am sure. And if a member of government sitting on these boards doesn't agree, of course, with some of the decisions the board has made, you can be sure the board

will feel Mr. So-and-so or Mrs. So-and-so is going to go running directly to the Premier, the Executive Council, and saying the board did so-and-so or such-and-such. I think the boards are set up to have the freedom to make decisions. With that MLA sitting on that board, they will lose that freedom.

I'm also concerned, of course, about the remuneration. As the old straw was threshed last spring -- the report of the Camp committee, people such as that -- it can certainly lend itself to abuse. I'm worried about that. But most importantly, I'm worried these boards will lose the freedom to make the decisions they've been set up to make. So, Mr. Speaker, I will be voting against the bill.

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

HON. MEMBERS: Agreed.

MR. MINIELY: Well, Mr. Speaker, in reply to the hon. Member for Little Bow, first of all, I think it's fairly obvious that we who are responsible for government feel it is extremely important, as governments become larger, that the elected level of government be more and more involved in the process of decision-making in government. And I think we simply disagree with the views of the opposition that that should not be the course and the pursuit that we have.

With respect to the comments of the hon. Member for Spirit River-Fairview, in particular the question he raised, the policy we have is, first, that the MLAs appointed to those selected commissions, boards, or agencies will be paid no differently than other members. They will be treated equally with other members of those boards. We think that's fair and reasonable. Review of the pay level for any commission or board would in fact be done on a regular basis. When it is reviewed, the hon. member would know what any adjustment may be, and it would be no different for any part-time members of the commission, board, or agency involved.

With respect to the comments of the hon. Member for Clover Bar, I would say that certainly we have selected the boards, commissions, and agencies on the basis of those that must reflect government policy. We have not included in the list of any MLA appointments those boards that would be of a quasi-judicial nature. With respect to the hon. member's comment on autonomous boards, in this particular example my answer would be that it's obvious to all members of the Assembly that the Hospital Services Commission must pursue government policy -- the policy of this Legislature, and the policy of government. So it is not an autonomous group. The ones we have selected for members of the . . .

MR. CLARK: What did you tell us in question period.

MR. MINIELY: The ones we have selected, Mr. Speaker, for appointment of members of the

Legislative Assembly, are these boards, agencies, and commissions that should be administering government policy similarly to what other government departments may be. So I think that fear is not there. The ones selected have been chosen on that particular basis.

MR. NOTLEY: Mr. Speaker, I wonder if I might put a question to the hon. minister, which perhaps may clarify a question I have in my mind and save debate down the line on some of these other bills.

I was given to understand that the level of compensation for MLAs serving on these various boards and commissions was really in two categories: (1) \$100 a month, plus expenses; and (2) expenses only. As I understand your answer just a moment ago, you are suggesting that . . .

MR. SPEAKER: Would the hon. member please address the minister by his portfolio.

MR. NOTLEY: If I took him correctly, Mr. Speaker, the hon. minister was suggesting that the member who served on a board or commission would receive the remuneration that other part-time members of the board or commission receive. If that's true, it seems there's somewhat of a contradiction, so I would like some clarification from the minister as to the exact policy.

MR. MINIELY: Mr. Speaker, it probably would have been more accurate of me to describe. The hon. member is correct that some of the MLAs appointed fall into the category of remuneration plus expenses, in other words an honorarium plus expenses. Others have expenses only. That decision has been based within two parameters, one parameter being that no MLA shall receive, as a part-time member of whatever commission, board, or agency he serves on, more than other part-time members of the commission, board, or agency appointed from the public generally. In some cases it may be that public members are receiving remuneration plus expenses, whereas the MLA is getting expenses only. I think the key thing is that in all cases the MLA may not be up to what the public member is receiving, but in all cases the MLA on any board, agency, or commission is not more than -- and they fall into two categories. Depending on the nature of the board, commission, or agency, the remuneration, if at all, to the public members who are appointed would be remuneration plus expenses in some cases, and in other cases expenses only.

DR. BUCK: Mr. Speaker, may I ask a question of the hon. minister?

MR. SPEAKER: We're dealing with the principle of the bill, and I would think it would be quite in order for any hon. member to put questions of principle to the minister.

DR. BUCK: Mr. Speaker, I would like to ask the hon. minister if the MLA appointed to this board will answer directly to the Legislature? Can we question him? Because

it's difficult to question a backbencher in question period. Will this MLA be responsible or answer for the decisions made by the board he sits on?

MR. MINIELY: Mr. Speaker, the hon. Member for Clover Bar knows very well that it's the ministers of the Crown in this Legislature who will answer for the policy in a certain area. The MLAs will work very closely with the minister. In this case, I expect the hon. Member for Sedgewick-Coronation to be extremely helpful to me in my job as minister. I hope to be working very closely with the MLA. I expect he will assist me a great deal in formulating policy over the next three to four years. I can say very frankly, Mr. Speaker, that I can use his help. But when it comes to answering in the Legislature, I think the hon. Member for Clover Bar knows well that it will be my responsibility to answer for the policy in hospital and the medical care field.

DR. BUCK: Mr. Speaker, we have publicly stated we would not sit on boards and commissions. But if one or two other MLAs sitting on the opposition side were appointed to these boards, to whom would they be answerable?

MR. NOTLEY: Some chance.

MR. MINIELY: Mr. Speaker, I don't think we ever precluded the possibility of members of the opposition being appointed to certain boards, agencies, or commissions. We would assume they would be helpful to the minister too, and not just in a co-operative way.

DR. BUCK: Mr. Speaker, just so the hon. minister is not confused, we have publicly stated we would not sit on boards or commissions if asked to. So I just want to make sure the hon. minister has got that straight.

MR. NOTLEY: Mr. Speaker, I wonder if I could just ask one additional question, a follow-up question, with the permission of the minister. Mr. Speaker, this really is a matter of principle, because it's a matter of money, and that's a pretty important principle. My question really is, Mr. Speaker, whether the government foresees any occasion, during the next 12 to 18 months, when the terms of payment for MLAs on boards or commissions will be changed. I refer specifically to the period Alberta contracts into this wage and price guidelines scheme with the federal government.

MR. MINIELY: Mr. Speaker, firstly, it is interesting to me that the hon. Member for Spirit River-Fairview treats synonymously money and principle. I think I answered that question when I said these are reviewed from time to time. The pay levels of different boards, agencies, and commissions are reviewed, probably on an annual basis, but I can't be definitive. Certainly, within whatever overall climate exists with respect to anti-inflation or to pro-

vincial expenditure guidelines, when we review the pay for members of Crown boards and agencies, we'll have to take those into consideration in whatever we do.

[Mr. Speaker declared the motion carried. Several members rose calling for a division. The division bell was rung.]

[Three minutes having elapsed, the House divided as follows:

For the motion:

Adair	Harle	Musgreave
Appleby	Hohol	Paproski
Ashton	Horner	Peacock
Backus	Horsman	Planche
Batiuk	Hunley	Purdy
Bogle	Hyland	Russell
Bradley	Hyndman	Schmid
Chambers	Johnston	Schmidt
Chichak	Kidd	Shaben
Cookson	King	Stewart
Diachuk	Koziak	Tesolin
Dowling	Kroeger	Thompson
Farran	Kushner	Trynchy
Fluker	Little	Walker
Foster	McCrae	Webber
Getty	McCrimmon	Wolstenholme
Ghitter	Miller	Yurko
Gogo	Miniey	Zander
Hansen	Moore	

Against the motion:

Buck	Notley	Speaker, R.
Clark	Mandeville	Taylor
Totals:	Ayes - 56	Noes - 6]

[Bill 38 read a second time]

Bill 40 The Alberta Environmental Research Trust Amendment Act, 1975

MR. BRADLEY: Mr. Speaker, I move second reading of Bill 40, The Alberta Environmental Research Trust Amendment Act, 1975. Mr. Speaker, this bill, like the previous one, will permit a member of the Legislative Assembly to sit on the board of trustees of the Alberta Environmental Research Trust. A member sitting on that board will provide input to it, and will also provide a stronger link between the trust and the public. Mr. Speaker, the Alberta Environmental Research Trust was established in 1971 to expand, on a provincial basis, applied and fundamental research relative to environmental improvement. To date, the majority of funding for the trust has come from the Government of Alberta, in providing an operational budget for administration, and a grant each year for research funding.

The board of trustees has adopted the policy that substantial support should be sought from the private sector, and is organizing a fund-raising campaign. One of the principles behind this bill will provide for the board of trustees to elect a chairman from amongst its members. Pre-

sently the Deputy Minister of Environment serves as chairman. The trust feels that a chairman from the private sector would be advantageous in raising substantial financial support from the private sector for research grants.

One research project into waste oil recovery in Alberta, by Syenergy West Ltd., was co-funded by Turbo Resources and the trust. This successful project recommended an improved system of collecting, refining, and re-using lubricating oils originating in Alberta cities. As a result, Turbo Resources is now building a new plant to refine waste oils. Also, a second research project has been initiated to look into waste oil recovery in rural centres. This is an example of a successful project funded by the trust in co-operation with the private sector.

Mr. Speaker, this bill will also permit the Minister of Environment to provide the trust with necessary secretarial and accounting assistance. Mr. Speaker, I move second reading.

MR. NOTLEY: Mr. Speaker, I would like the hon. member, in closing debate, to advise the House what the remuneration presently is for members of the board of the trust. This follows from the comments of the hon. Minister of Hospitals during second reading of Bill [38]. I would like to know what the present rates are for the non-government members of this particular board, and whether the member visualizes any situation occurring where there could, in fact, be a change in the remuneration during the course of the next 12 to 18 months.

DR. BUCK: Mr. Speaker, when a bill such as this is brought in, with the problems and complications that may arise from it, I think we should stipulate that this means MLAs may serve on these boards. It's fine for the man on the street; he's not versed in the laws of the land. Maybe the MLAs are sometimes not that [well] versed. So let's not pussyfoot around. If the government is taking the course that it's taking, if it is going to put MLAs on these boards, let's put it down in plain English, so we know and don't have to guess; the enabling legislation will be there. And as the hon. Member for Spirit River-Fairview says, Mr. Speaker, let's find out what they're going to be paid. Let's not guess about that either.

MR. TAYLOR: Mr. Speaker, I don't know whether the government plans to appoint MLAs to this board, but I personally would not be opposed to MLAs sitting on a research trust committee like this. I can see no conflict of interest. The matter is almost provincewide in scope.

I see some places where an MLA sitting on a commission could have a conflict of interest. In the last bill, there could be a hospital wanted in a particular riding, and the member could be in a very delicate position, or favor a hospital in his own particular area. I feel it's not fair to an MLA to be on that type of commission.

But on commissions and boards that are provincewide in scope, where there is no particular advantage for one particular riding, I see some advantage in an MLA being on that type of board. He brings the viewpoint of the man on the street to that board. He has to be re-elected, he has to go back and report to his people, he has to keep in touch with his people. Appointed people don't.

Consequently, I see some advantage in MLAs being on certain boards, where that type of information can be given to the appointed members, because an appointed member can never be in the same position as an elected member. He doesn't have to go back, he doesn't have to keep in touch. An MLA does. In my view, there is a lot of advantage in MLAs being appointed to that type of board. Whether or not the government plans it in this particular trust, I personally would see nothing wrong with it in connection with this type of board.

MR. CLARK: Mr. Speaker, in speaking to second reading of the bill, I would like to make just two comments. Mr. Speaker, I would hope the hon. member to my back, who is piloting the bill through the House, would take the opportunity, either in second reading or in committee, to give us some indication of the work in which the trust is involved, and the kinds of things he's been involved in during the time he's been on the trust. I believe he was one who was appointed some months back, after this ill-conceived legislation was initially passed in the Assembly.

Secondly, Mr. Speaker, I'd like to point out to you and to the members of the Assembly, the situation we're in right now, with the opposition sitting and standing where we are, and the hon. member and other hon. members where they are on this side. It just points out to you, Mr. Speaker, and to the members of the House, why we on this side of the House are going to continue trying to get the House rearranged. We think the kind of situation we're involved in right now is ludicrous.

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

HON. MEMBERS: Agreed.

DR. BUCK: . . . try to speak to the Speaker and the guy is behind you?

MR. BRADLEY: Mr. Speaker, if the hon. Leader of the Opposition doesn't mind me speaking to him from this position back here.

SOME HON. MEMBERS: We do.

MR. BRADLEY: In response to the hon. Member for Spirit River-Fairview, I am not familiar with the exact present per diem pay to members of the board of trustees of Alberta Environmental Research Trust. They're paid their expenses and, I believe, a per diem rate. A proposed appointee to the trust, being an MLA, would receive expenses only.

In answer to the question put by the hon. Member for Clover Bar, in which he said the legislation should specifically state that an MLA may be appointed to the trust, I think that question was resolved in amendments to The Legislative Assembly Act earlier this spring.

In answer to the question of the hon. Member for Drumheller, the government is proposing an appointee to the Environmental Research Trust. It is myself. At the present time I do not sit on the trust, because the legislation does not permit one to. This amendment will provide that.

In answer to the hon. Leader of the Opposition, in terms of what the trust is doing, not formerly having sat on the trust, I don't think I could give a broad, expansive answer to that. But I would state that it is basically involved in providing funding for applied and fundamental research for environmental improvement in the province. Presently, there is a number of projects being funded into it. I would be very happy to elaborate on that in committee.

MR. NOTLEY: I wonder if the hon. member would permit a question. Mr. Speaker, to the hon. member. I'll turn around if I can.

AN HON. MEMBER: Nice try.

MR. NOTLEY: And still be heard. I wouldn't want any of the hon. members to miss my question, a question really to the member who's piloting this bill through the House, Mr. Speaker. Can he tell the House specifically who sets the per diem rates for the members of the trust? Is that set by order in council? Is it set by the trustees themselves? Who makes the arrangements on that? Who makes the recommendations?

MR. BRADLEY: I'm not sure of that, Mr. Speaker, but I'll be pleased to relay that information to the House in committee.

[Mr. Speaker declared the motion carried. Several members rose calling for a division. The division bell was rung.]

MR. APPLEBY: Mr. Speaker, on a point of order. I was not aware, during the voice vote, that anybody said no. I wonder if you would clarify that procedure when they ask for a standing vote.

MR. SPEAKER: I'm not aware of any provision in the Standing Orders that requires three members to say no before they have the right to stand up to compel a division.

Perhaps while I'm on my feet, I might say that if some hon. members may have been under the impression, in the last division that they heard the Clerk say 66, the number was in fact 56 in favor of the motion.

DR. BUCK: Mr. Speaker, on a point of order. I believe it's custom that when the

division is called, the doors are locked. Is this true?

MR. SPEAKER: I am aware that the hon. Minister of Labour came in, but the vote had already been taken at that time.

DR. BUCK: Mr. Speaker, I thought it might be close, and I didn't want to lose the vote by one.

[laughter]

AN HON. MEMBER: We're gaining all the time.

AN HON. MEMBER: Go back and see your dentist.

[Three minutes having elapsed, the House divided as follows:

For the motion:

Adair	Harle	Musgreave
Appleby	Hohol	Paproski
Ashton	Horner	Peacock
Backus	Horsman	Planche
Batiuk	Hunley	Purdy
Bogle	Hyland	Russell
Bradley	Hyndman	Schmid
Chambers	Johnston	Schmidt
Chichak	Kidd	Shaben
Cookson	King	Stewart
Crawford	Koziaik	Taylor
Diachuk	Kroeger	Tesolin
Donnelly	Kushner	Thompson
Dowling	Little	Trynchy
Farran	McCrae	Walker
Fluker	McCrimmon	Webber
Foster	Miller	Wolstenholme
Ghitter	Miniely	Yurko
Gogo	Moore	Zander
Hansen		

Against the motion:

Buck	Mandeville	Notley
Clark		

Totals:	Ayes - 58	Noes - 4]
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[Bill 40 read a second time]

Bill 43
The School Amendment Act, 1975

MR. KOZIAK: Mr. Speaker, it's my pleasure to move second reading of Bill 43, The School Amendment Act, 1975.

First of all, I'd like to dispel any rumors that this act will permit the Department of Education to control the manner in which boards obtain ulations. As a matter of fact I looked through Webster this afternoon, and I couldn't find a meaning for the word "ulations", so if hon. members will look at Section 7, which amends Section 97, on page 2, the word "ulations" should be replaced by the word "tenders". I'll make the appropriate amendment in Committee of the Whole.

This bill does two things, Mr. Speaker. Of course it amends The School Act. But in addition it performs that very task

which the hon. Member for Athabasca was about to suggest this coming Tuesday in the resolutions appearing on the Order Paper, under Motions other than Government Motions. It provides that the second Friday in June would be Farmers' Day in those cases where the board decides to declare a holiday. This section, of course, will provide for a consistent date throughout the province for the celebration of Farmers' Day wherever school boards wish to take advantage of the right under The School Act to declare a holiday. I'm sure that will be of great pleasure to many members of this House.

Further, Mr. Speaker, the bill provides that once a budget has been approved by the school board, an elector is entitled to see the budget and, in fact, upon paying the appropriate administrative or photocopy charges, to obtain a copy. It clarifies certain sections in the existing act where there was some doubt as to the meaning, such as in the amendment to Section 12 and certain other sections. It also clarifies the situation with respect to the acquisition and disposition of property by school boards, and permits greater leeway for school boards in the use of some of their accumulated funds, subject to the approval of the Minister of Education.

Lastly, it dispels any doubt about the legality of any agreements entered into by school boards with private schools for the provision of education by private schools to electors of a public school district. By "public", I mean public or separate in the meanings attributed to those words in The School Act. This will permit the type of agreements we've been reading about, Mr. Speaker, wherein schools, particularly in Edmonton and Calgary, that are presently private schools -- through arrangements being made, I think in most cases with the public school board, Mr. Speaker -- are to come under the umbrella of the public school system.

MR. CLARK: Rather than commenting on the amendments to Bill 43, perhaps I could ask the minister two or three questions resulting from the bill. First of all, I'd like to ask the minister if it's his intention to come forward with more amendments to The School Act per se in the spring session this year. I make that suggestion because from discussions I've had with trustees and teachers, it seems it may well be a rather appropriate time to have some group likely not dominated by the Department of Education look at the school act that was approved a few years ago.

Now may well be the time to look at some provisions. I think of two or three of them in particular. I think it would be rather appropriate if we look at the question of regional bargaining. We've now had four years of regional bargaining across the province. It may well be appropriate to in fact look at that and see how successful that is. It depends, in my judgment anyway, on who you talk to, which jurisdictions you talk to and so on. But I think some sort of assessment of a number of the controversial sections of the act

would be worth while. I guess one of the areas that would be included also might well be the question of the limit on requisitions -- but especially the question of bargaining on a regional basis.

From discussions I've held with both trustees and teachers, it seems to me that both groups would welcome an opportunity of a rather freewheeling look at the act in light of four or five years of experience, as opposed to amendments of interpretation, basically, which we've had over the past number of years and I'm not being critical of. But now may well be the appropriate time to say where we have gone and, far more important, where we are going as far as the act is concerned. So I'd like the minister, in the course of concluding his comments, to indicate whether he'd be open to that kind of suggestion, or has he given that suggestion any consideration?

MR. NOTLEY: Mr. Speaker, as I read over Bill 43, first of all, I would like the minister to clarify several things with respect to Section 7 dealing with the general question of tendering, notulations as he first suggested. Mr. Speaker, one of the problems -- I'm sure the minister has had representation on this matter from school divisions in northern Alberta, and generally in the more remote locations in the province -- is that you simply don't have enough firms tendering on school construction plans.

I just give you one example, in my own constituency, of a new addition in the Savanna school, which is in the Spirit River school division. Only four firms tendered on the school addition. The net result of that, Mr. Speaker, is that the lowest tender was very high. The lowest tender, as a matter of fact, was \$43 a square foot. Now the problem, as the minister can well imagine, is that even with the new base of \$27 a square foot, which has been increased from \$24, a rather substantial amount in unapproved cost is still left. So I've had a number of complaints brought to my attention on more than one occasion, but particularly whenever I have a chance to meet with trustees in the Peace River region, about the very real problems they have because of fewer contractors, and that the normal competition that would take place isn't as workable in that area as in the two major cities.

So I'd like some comment from the minister on the general operation of the school buildings branch and the funding formula under that branch. I realize that a small allowance is made outside a given area. But that small allowance, Mr. Minister, is certainly not enough to make up the difference between \$43 a square foot and what might be a more reasonable figure for constructing a school.

The other question relates to the decrease in the allowed percentage of supplementary requisition. Last year the government permitted a 15 per cent increase in supplementary requisition before ratepayers could petition for a plebiscite. It's my understanding in the proposal that this will be reduced to 11 per cent. I

realize a plebiscite is not automatic. There must, in fact, be a petition of ratepayers, and if a certain number of ratepayers sign the petition, the referendum is held. But I think we have to keep in mind, Mr. Speaker, that our batting average on requisition plebiscites this year is pretty poor. If I'm not mistaken, only one of the various referendums was, in fact, passed. So it seems to me that what we're doing by reducing the 15 per cent to 11 per cent is taking away some of the necessary latitude the school jurisdictions are going to have to exercise if they are to make ends meet, especially in the smaller school divisions.

The third point I'd like to raise, Mr. Speaker -- and perhaps this gives us a little better opportunity to discuss it and for the minister to expand upon it than in the oral question period -- is with respect to the three programs announced in January of this year. I'm referring to the small schools grants, the declining enrolment grant, and the low assessment grant. The three programs taken together were underfunded in my judgment but, I think, correct in principle. My question to the minister is, just where do these programs stand in terms of the forthcoming year?

When the minister addressed the trustees in Calgary, Mr. Speaker, no specific mention was made of these three programs. I'd like to know whether they are going to be caught in the 11 per cent formula, whether there will perhaps be a larger increase than 11 per cent or, for that matter, if it's the government's intention to retain the programs at all. I certainly hope it is, and I would simply say that in my view we should perhaps expand the scope of the program by increasing the funding beyond 11 per cent.

The minister is also aware that the weighting he announced in the school foundation plan per-pupil amount varies. There is a somewhat higher than 11 per cent increase in the 1 to 6 level, slightly more than 11 per cent in the grade 7 to 9 level. But in the high school level we're looking at 5.5 or 6 per cent. Now the problem for divisions that have a bulge of students in the higher grades, Mr. Speaker, is that their actual grant increase is not 11 per cent, because they have a larger number of students in the high school vis-a-vis the proportion in the lower grades. I, specifically, have problems with this very question in one of the divisions in my constituency. It seems to me, Mr. Speaker, that there has to be, if not flexibility in the provincial grants structure, which I would certainly favor myself, at least sufficient flexibility in the supplementary requisition requirements.

Just to conclude my comments, Mr. Speaker, one of the recommendations of the minister's committee on school finance, as I recall it anyway, was to eliminate any ceiling on the supplementary requisition. It would essentially be up to the local jurisdiction. While the minister is answering why it was dropped from 15 to 11 per cent, I wonder if he would address himself to how the government views the recommenda-

tion to eliminate that kind of constraint on school jurisdictions in the province.

MR. TAYLOR: Mr. Speaker, just three comments on the bill. The first is in connection with Section 12. In the amendment, I notice that the words "shall be initiated" have been omitted. Under the old Section 12, a teacher or a school staff could initiate a program. At times this led to novel programs being submitted for adoption to the board and the minister. I'm wondering why the minister is leaving that out. I can't see what that will accomplish.

It seems to me it's a good thing to have teachers endeavoring to initiate new things in their courses of studies, particularly teachers who have had several years experience. Sometimes they're able to initiate a program that would be of tremendous value to other schools and pupils. I personally favor those words staying in the act, and I wonder why the minister is having them removed.

The second point I'd like to mention is in connection with Section 66. This isn't a change. It's presently in the act that a ratepayer who wants a copy of the budget may get one by paying 15 cents per page. I don't know how many pages some budgets are. I'm wondering how sound this is. Surely the ratepayer in a district has some right to know what's going on. The Provincial Treasurer doesn't charge for copies of his Budget Address. These are made available to any citizen who happens to want them, and properly so. It's his money that's being spent.

I don't like this idea of ratepayers being required to pay to get information to which they are properly entitled. This was in the act before; it's not being changed. But I disagree with it, and some of my ratepayers disagreed when they found they had, for them, quite a sizable bill in order to find out the information they actually wanted, or to get a copy of the budget, which was partly their money being spent. I think that principle is unsound. I think our people should be entitled to get this information without buying it.

The other point is in connection with Section 93. I don't know how often this happens, but Section 93(7)b sets out that the board may avoid using subsections 4, 5, and 6 in calling for tenders, et cetera, if the approval of the minister is obtained. I saw one instance, in the last few years, in which a board went ahead and advertised property in a community in a city district that had been purchased with school money, even though the people of the district wanted that particular land and building for community purposes; it was no longer going to be used for a school.

The people of the community, along with other people in the district, had already paid for that. There was also provincial money in that building and land. Yet the board went ahead and sold it, and ignored the wishes of the local community, to whom I think the building should properly have gone.

I would like to see this as a requirement, that the minister take a look at

this. Before any sale of school land or a school building in a community is carried out or sold by tender, that the local community have some opportunity to obtain that. I think it should be a requirement that the board must give the local community first chance. It's just a shame to take an area that has been built up over the years as a school, an area that should properly remain for community purposes, and sell it to some commercial operation or to someone who will speculate, subdivide it, and sell it for lots.

I believe the principle involved in one of the bills the other day is involved in this. We haven't been cognizant enough of reserving land for community purposes, for play purposes, and for beautification purposes in our communities.

The school is generally in the heart of a community. I would like to see these areas, where schools are being closed, get first chance to have these areas before they are put out for tender. The way the section reads now, the board could go ahead and advertise and sell this without referring it to the minister at all, unless they wanted to avoid subsections 4, 5, and 6. If they wanted to use subsections 4, 5, and 6, they would simply go ahead, and the minister would never know anything about it. I would appreciate the minister taking a look at those three items.

MR. SPEAKER: I realize that in a bill, which of necessity includes a number of details, it may be difficult to extract broad principles. But I would respectfully suggest to hon. members that some of the debate we have been having this evening might be more suitable in committee. It would be regrettable if we were to cover the same sections again in committee.

Some members may be holding back their comments for committee rather than entering the detailed debate that we have had, in some instances, this evening. Unless an amendment introduces some really broad question of principle, I would suggest that a bill of this kind, perhaps, should get its major attention in committee rather than in the Assembly.

May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

MR. KOZIAK: Mr. Speaker, I trust it will be in order for me to deal with some of the concerns that have been raised up to this point. I will begin with the last point and work my way backwards through my notes perhaps in Chinese fashion. The amendment to Section 93, Mr. Speaker, is strictly an extension of the principle, presently found in the act, to include the Crown or the Province of Alberta, basically.

There are reasons for the section as it presently appears. First of all, Mr. Speaker, I should share with the hon. members, the fact that, by and large, I would have to say I haven't run into a case where the school boards aren't basically very good managers of the property they have under their control. They are not

about to dispose of property for anything less than fair value. As a matter of fact, I would have to say that in almost every case, school boards tend to hang on to property, perhaps, beyond the useful period that certain property may serve for a school jurisdiction. So I'm really not concerned that we will have school boards helter-skelter disposing of their property to speculators or what have you.

Basically, Mr. Speaker, the provision in this particular amendment will permit what you might call a non-arm's length transaction between, in this case, the addition of the provincial government for the disposition of an old school that may be used as some government centre, perhaps as a senior citizens' drop-in centre, or something of that fashion, which will enable the school board then to write off their books that particular old space without penalty in applying for debenture support on any new construction. So it's there for the advantage of the school board in the areas of new construction.

With respect to 15 cents a page, Mr. Speaker, it's a matter of judgment whether the charge of 15 cents per page should be made. That particular charge is in the act. All that's happening is that a budget approved by the board, which up to this time is not obtainable by an elector, becomes obtainable. It becomes obtainable under the same circumstances as all the other documents enumerated in that section.

With respect to the amendment to Section 12, the problem with that section as it is presently worded, Mr. Speaker, is that it would seem a board or a teacher is not even able to commence planning a local course without ministerial approval. What is attempted in the amendment is to provide that all of the planning, initiation stages, et cetera, can take place with respect to a locally developed course or option, and that instruction itself does not commence before ministerial approval is obtained. That amendment is there to clarify what presently amounts to a difficulty in interpreting the meaning of that particular section.

Mr. Speaker, the hon. Member for Spirit River-Fairview alluded to the weighting factor which was used in the development of the grants under the school foundation program for the elementary, junior high, and senior high school students. The weighting factors used were those recommended by the minister's advisory committee on school finance, generally well received by school trustees, school boards, and people interested in education throughout the province, when hearings on the report were held in September of this year. Mr. Speaker, those weightings were 1.0 in the case of elementary, 1.1 in the case of junior high school, and 1.4 in the case of senior high school. The recommendation of the committee was that that be the weighting attributable to the grants for the forthcoming year, and in fact in future years, the discrepancy or disparity between the elementary and senior high school grants be narrowed even further.

The important thing to realize here,

Mr. Speaker, is that the grants for the three types of students were developed in recognition of certain costs incurred in the education of these students. Many years ago, Mr. Speaker, if one looked at the qualifications of teachers throughout the province, one would find that those with the best qualifications were found in senior high school. Those with the least qualifications were found in elementary. Not so any more, Mr. Speaker. School boards, educators in general, recognize the importance of providing a good educational base for those students in the very early formative years of their education. One finds that now the percentage of teachers in elementary who hold at least one degree is almost as large as the percentage of teachers holding a degree in junior high school and high school. The cost of the teacher represents the largest expenditure in education. Teachers' salaries represent somewhere between 60 per cent of all school board expenditures on the low side and maybe 75 per cent on the high side.

Not only that, Mr. Speaker. In the information it receives from school boards, the Department of Education understands that the amount of funds actually spent by school boards in the three sections of education -- elementary, junior high, and senior high school -- is probably even closer than the disparity which exists in the weighting factor applied to the grants developed for this forthcoming year.

The hon. member mentioned that three grants -- the supplementary requisition equalization grant, SREG, the declining enrolment grant, and the small school grant -- all of which were developed by my predecessor, are good grants and are very useful and helpful, particularly to those school boards that need them. In the main, we find that the rural school boards receive the greatest advantage from these grants. At this time, Mr. Speaker, I can assure hon. members that it is not the intention of the government to discontinue these grants. However, what is not certain at this time is what amounts will be available for school boards by virtue of these grants.

The matter of the supplementary requisition provisions in The School Act was raised by the hon. Member for Spirit River-Fairview. The basis for the regulations which provide for citizen input into the amount of funds spent by a board is found in Section 119 in The School Act, Mr. Speaker.

In the past fiscal year, school boards were entitled to increase their supplementary requisition by 15 per cent without being subject to the plebiscite requirements. In the forthcoming year, the figure will be 11 per cent. Last year, Mr. Speaker, 48 jurisdictions found it necessary to spend, and to raise taxes in order to provide for that spending, an amount in excess of 15 per cent. Of those jurisdictions that found it necessary to raise taxes more than 15 per cent higher than the previous year, 38 were not challenged by their electors. In 10 cases, the electors demanded a plebiscite in accordance with

the regulations. In 2 of those 10 cases, the plebiscite was won by the school board. The plebiscite was successful in that respect, and the school boards were entitled to raise a supplementary requisition beyond the 15 per cent. So if we include the 38 that were not challenged, one might say that, generally speaking, the electors of school boards are supporting their boards financially and are recognizing whatever needs the school boards feel may be required in order to provide education for the students in that division or district.

No doubt, Mr. Speaker, the minister's advisory committee on school finance recommended the removal of these restrictions. But if consideration were to be given to the removal of these restrictions, this would not be the year, Mr. Speaker, a year in which we are attempting to hold down expenditures, to hold down costs. Included in costs are property taxes. If anything, one might ask, rhetorically, if the same provisions should not also be applied to municipalities.

On the matter of tendering, Mr. Speaker, the amendments to the act will permit regulations to be passed which will make much clearer all provisions dealing with tendering. Unfortunately, neither legislation by this House nor regulations by the Lieutenant Governor in Council will increase the number of firms tendering. While I recognize the concern raised by the hon. member, there is no way we would force contractors to submit a tender on any school construction by legislation I can foresee, or that I would even wish to foresee. The hon. member, of course, recognized the fact that there has been an adjustment to school support prices for the period July 1 to December 31. These are under review and are subject to adjustment every six months. The support price on the distance factor this last six-month period, Mr. Speaker, was doubled. So where a school is located 200 miles from a large urban centre, the increase in support has gone from \$2 to \$4, and there have been appropriate increases along the way for schools within radii beneath that 200-mile figure.

The hon. Leader of the Opposition raised the matter of amendments to The School Act in the spring and the possibility of looking at the act as a whole. I do not foresee, Mr. Speaker, that The School Act will be given a wholesale look with a brand new act being introduced this spring. But that does not deny the fact, Mr. Speaker, that need may be found for further amendments to the existing legislation in the spring or in the fall of 1977.

I believe, Mr. Speaker, that I have dealt with all the questions raised by the hon. members in debate, and I move second reading of Bill No. 43, The School Amendment Act, 1975.

[Motion carried; Bill 43 read a second time]

Bill 44
The Northern Alberta Development Council
Amendment Act, 1975

MR. DOWLING: Mr. Speaker, I move second reading of Bill No. 44, The Northern Alberta Development Council Amendment Act, 1975. Mr. Speaker, there are three principles involved in this amendment. The first one involves a clearer definition of the role of the Northern Alberta Development Council as being advisory in nature and not a line department or delivery system. The council now works through the line departments, recommending required changes, required action, rather than implementing change through its own resources.

The second principle, Mr. Speaker, is found in the amendment to Section 4 which says, "striking out the words 'and employ expert consultants as it thinks necessary'". It is our view that we should employ outside consultants wherever possible, so that part of that section has been deleted.

The third principle involved, Mr. Speaker, is to expand the membership of the council to include a larger base from which to operate. It does not mention, in particular, membership in that council by MLAs, but does not exclude them. It's interesting, Mr. Speaker, that in 1963 when the act first came into being, MLAs were sitting on the council. When it was amended in 1968, MLAs were sitting on the council. In fact it wasn't just an MLA at that time, but the hon. Mr. Fimrite, the Minister of Northern Development, as the chairman. So I have difficulty understanding some of the debate that's been going on this evening. Therefore I move that all hon. members support the bill.

[Motion carried; Bill 44 read a second time]

Bill 45
The Cooperative Associations
Amendment Act, 1975

MR. COOKSON: Mr. Speaker, I move second reading of Bill 45, The Cooperative Associations Amendment Act. Three sections are included in the amendments to the act, one with regard to a shift in the definition of the director, to broaden it. The co-operative activities, the credit union, the co-operative development act, and the rural power and gas are now brought together under one director. The intent of the one section to broaden the definition of "director" is to give a more flexible definition and to permit the director to delegate some of his powers, if and when necessary.

The other section that is amended will permit an Alberta co-operative to amalgamate with a federal co-operative and operate under the Canada Cooperative Associations Act. There are situations now occurring where a number of small co-ops wish to combine under an interprovincial or extra-

provincial co-op. Westland is an example of the situation where a number of co-ops have come together and combined their facilities. There are advantages to this. It refines the bookkeeping, the accounting, and the management. So this amendment makes possible this kind of amalgamation and efficiency of operation.

The fourth amendment simply clarifies a section of the act which left out the term "registered". Those co-ops from other provinces operating in Alberta are not incorporated in Alberta, therefore they must be registered. So it's to clarify a section and add a part that was left out, and it includes those that come in from other provinces and are registered.

I wish to move, then, second reading of Bill 45.

[Motion carried; Bill 45 read a second time]

Bill 46 The Criminal Injuries
Compensation Amendment Act, 1975

MR. LITTLE: Mr. Speaker, I move second reading of Bill 46, The Criminal Injuries Compensation Amendment Act, 1975. Five areas are being amended in this act. The purpose of the first amendment, 7(a), is to allow the board to reimburse anyone for expenses he has incurred as a result of the death of a victim. This is generally burial expenses. The way the act is presently worded precludes the board from reimbursing for funeral expenses. Furthermore, the amendment will not restrict payment for funeral expenses to a person who is responsible for the maintenance of the victim.

The second area that is being amended is 2(b). The purpose of this amendment is to preclude the board from making, under the act, any payment to a peace officer where that peace officer may obtain compensation for his injuries through other means. It is thought that the employer should be responsible for providing any benefits for which The Criminal Injuries Compensation Act was not appropriate for making payment.

The third area is an amendment to Section 2(c). With this amendment, regardless of where a person resides in Canada, he will fit under the provisions of this act and therefore will gain compensation when properly qualified. This particular amendment is a requirement of any federal-provincial cost-sharing expenses arrangement.

The next area is an amendment of 3(a). The purpose of this is merely to update the provisions of the Workmen's Compensation Board where we refer to "workers".

The final section, Section 4 of the bill, is revised to include a new schedule. In the schedule will be some offences which were not previously included when the bill was first enacted in 1969 -- for example, hijacking. And it adds to the schedule certain offences for which compensation may be claimed. These offences are ones with

regard to which the federal government would contribute to the compensation paid if Alberta were to enter into an agreement with the federal government in this regard.

MR. TAYLOR: Mr. Speaker, I'd like to raise one principle in connection with the bill. I note that the bill makes it illegal for a peace officer to receive funds from the injuries compensation fund if he may secure compensation from funds made up from public money -- not workers' compensation particularly, but funds for other purposes -- during the period he is injured. I think that is sound. I agree with that. However, the question is raised in regard to security officers as to what portion of their funds is made up from public money, and if they are in the same category as police officers. But particularly, it raises the question of peace officers -- policemen in cities like Calgary, Edmonton, Lethbridge, Medicine Hat, maybe Red Deer, who serve out of hours as peace officers without uniform, or sometimes in uniform but not officially on duty. They are hired by an organization to be a peace officer at a certain event. If they were injured at this event, do the police funds cover them, or would they then become eligible for compensation from The Criminal Injuries Compensation Act?

MR. SPEAKER: Does the hon. member wish to conclude the debate, or shall I put the question? Does the hon. member wish to deal with this matter in committee?

MR. LITTLE: I prefer to deal with it in committee, Mr. Speaker.

[Motion carried; Bill 46 read a second time]

Bill 47
The Department of the Environment
Amendment Act, 1975

MR. KIDD: Mr. Speaker, I move second reading of Bill 47, The Department of The Environment Amendment Act, 1975. Mr. Speaker, this act will include what may be termed a "uniform grant" section, which will more clearly define and prescribe the manner in which the minister may make grants, and it will more clearly define the manner in which the minister may enter into agreements for research projects, et cetera.

Mr. Speaker, the act allows for the delegation by the minister of powers and duties to employees of his department from time to time, and provision is made to expand the membership of both the National Resources Coordinating Council and the conservation and utilization committee as may be necessary, and to rotate the chairmanship of these bodies.

Regarding restricted development areas, provision is made to enable the Lieutenant Governor in Council to delegate expressly to the minister the power to permit environmentally unobjectionable and speci-

fied activities in these areas. Also concerning restricted development areas, amendments and additions are made to the existing act to enable a minister to file effective caveats against a land title which will not be subject to the notice to take proceedings, under Section 144 of The Land Titles Act, and hence not subject to support by court action.

These are the main points of the amendments, and I move second reading of the bill.

[Motion carried; Bill 47 read a second time]

Bill 50 The Alberta
Insurance Amendment Act, 1975

MR. HARLE: Mr. Speaker, I move second reading of Bill 50, The Alberta Insurance Amendment Act, 1975. I'd like to make a few comments about the insurance branch, so that members may be a little aware of the volume of work necessary to administer insurance companies in Alberta.

There are approximately 340 licensed insurance companies in the province, of which 320 are federal companies, 9 are provincial, and 10 are extraprovincial. There are approximately 8,000 licensed insurance agents in the province and 250 insurance adjusters. Approximately 1,000 new insurance applicants write insurance examinations each year.

Mr. Speaker, the current worldwide problems of inflation, and particularly the problems within the stock market, have led to some huge underwriting losses of many property and casualty companies. This requires a continued surveillance of the capital conditions of insurance companies. Of course, these conditions directly affect the public, because companies with capital problems must cut back on underwriting, and this places more stress on the remaining companies.

The basic principles included in the bill relate to a number of areas. One of the most important, perhaps, is the problem of the valuation of assets. At the moment, the Alberta act does not have the 115 per cent requirement in it. Federal insurance companies carrying on business other than life are required by law to have assets, valued at market, equal to 115 per cent of their liabilities. This is an early warning test. It is a requirement of the annual statement of the condition of affairs of insurance companies, filed pursuant to section 98 of the act, which does have this requirement in it. It's now felt this test should become a requirement of the legislation rather than of the policy of the insurance branch itself.

In essence, of course, general insurance companies having a cushion of assets valued at market, over and above their liabilities, is for the protection of the public. General insurance companies do not have long-term liabilities on their balance sheets, as do life insurance companies. As a result, their liabilities

come due within a short period of time, usually within a year, and [they] must, therefore, be in a liquid position to meet the possible calls on policies.

The section that relates to valuation of assets will come into force on a date fixed by proclamation. It's intended that that proclamation will not be made for at least a year in order to permit the Alberta-incorporated companies to improve their asset pictures. None of our local companies can meet the test, but it is believed that by giving ample warning to the industry, and given a period of time, all the Alberta-incorporated insurance companies will be able to meet the requirements.

The other principle included in the bill is to change the rules of valuation of securities. These rules are presently contained in the act and, for that reason, are very hard to change. It is proposed to make the change to permit the rules to be set by regulation. I might say that the regulations used will be based on the rules recommended by the superintendents of insurance for the provinces of Canada. I may say that all our local companies are in favor of adopting these valuation rules, as essentially it will mean a loosening up of the rules, as other provinces in Canada have moved in this manner.

Another important principle in the bill relates to the occasional and infrequent use by a person of his automobile for the transportation of children as part of an educational program. Specifically, we are concerned with teachers who might use their automobiles for occasional school activities. I might say the insurance industry itself has agreed to this type of coverage. It will also need a change in the insurance policy itself.

Another basic principle contained in the bill relates to statutory condition 2. The intent of the amendment is to increase the third party liability coverage to innocent third parties, other than gratuitous passengers, when there is a breach of statutory condition 2. At present an innocent third party can only recover, under the insurance contract, up to the minimum compulsory insurance of \$50,000. But if the amendment goes through, he will now be able to sue and recover up to the limits of the coverage included in an insurance contract. The insurance company, of course, will still be in a position to subrogate itself against the insured in such instances. The amendment has been recommended by the Insurance Bureau of Canada, and I might say this amendment will lead us down the road to eventually eliminating statutory condition 2.

I think the big problem in the insurance business today is the requirement that judgment must be obtained by a third party before the insured can become subrogated to his rights against the insured. Many of today's drivers, I think, believe that if they drink and drive, they are covered by their insurance policies. But that, of course, is not the provision of statutory condition 2, which relates to that problem and several other problems. I

may say that statutory condition 2 itself has been eliminated in four provinces, including the Province of Ontario. It's been noted that there has been no increase in insurance rates and premiums as a result, and I understand the majority of the claims are small. Collision coverage, of course, is not available, and the effect on insurance rates is minimal, really.

I therefore move second reading of Bill 50.

[Motion carried; Bill 50 read a second time]

Bill 51 The Marriage Amendment Act, 1975

MR. HYLAND: Mr. Speaker, I take pleasure in moving second reading of Bill 51. Basically, Bill 51 is in two parts. The first part allows the Bahai faith the right to their own marriage ceremony. I think the best way to paraphrase it is to quote, if I may, from some notes of a meeting between Mr. Paynor, who represented the community, and myself:

There is no one individual who can be considered as . . .

"head" of the Baha'i religious body. The "head" is the Local Spiritual Assembly which is composed of nine people.

Because of the two items above, the Baha'is request[ed] that the Marriage Act be worded in such a way to enable the Director of Vital Statistics to register a person who has been appointed by the authority of the Baha'i community -- the Local Spiritual Assembly -- to perform the duties of marriage registrar to meet both [the] Baha'i and civil [ceremonies].

And part number three:

The marriage is established when the parties to the marriage recite the sacred verse "Verily we are content with the will of God" in a ceremony authorized by the Local Spiritual Assembly which has properly fulfilled its Baha'i responsibilities as outlined in [their constitution].

The second part allows people with a certificate of capacity under The Mentally Incapacitated Persons Act and The Mental Health Act, 1972, to be married. This act will take the onus off the licence issuers and the marriage commissioners performing the ceremony. They still have to make the initial decision on whether they feel the person is mentally capable of the marriage contract. Once they get the answer that the person is not under certificate of incapacity, it removes the onus from them. Thus with the certificate, the onus is placed on a qualified medical practitioner, who is more qualified than they to make the decision.

MR. TAYLOR: Mr. Speaker, I'd like to say a word or two in connection with the second amendment to the bill. I'm not particularly opposing the marriage of people who have mental difficulties, providing they know what they're doing and are capable of giving some thought. I frankly don't think the conditions set out in this bill go far enough to make sure people who are now going to be permitted to marry are stable enough to realize what that act involves, et cetera. For instance, some are under the declaration, under the mentally incapacitated. The declaration requires a court to declare that person is of unsound mind. That person has gone through a hearing under the present act, by a court with all inquiries. If it's done by jury, they actually see the man or the woman and then get to the point where they've declared the person to be of unsound mind. After that, one doctor can, in this bill, give that person permission to marry, as being stable and having the ability to understand the marriage contract.

I'm wondering if that's far enough for people who have been declared mentally unsound by a court. It seems to me we're not going far enough. If we went back to that court and had it say, this person has now improved to the point where he can undertake the responsibilities of marriage and know what he is doing, I would feel a lot better about it.

Then we come to the second part, the certificate of incapacity. Before a person is declared of unsound mind or incapable of managing his own affairs, he is examined separately by a therapist and a physician, or by two physicians. They then produce a certificate of incapacity, showing the man is of unsound mind, not capable of managing his own affairs. Now that person who has a certificate of incapacity can then go to one doctor. One doctor can give him permission to marry, which again I don't think is going far enough. Surely if we require a doctor and a therapist, or two physicians, to say that the man is incapable of managing his own affairs, we should require at least equal medical qualifications declaring that man may marry. Because if he's now able to marry, it must be assumed he's now able to manage his own affairs, or he couldn't undertake the responsibilities of somebody else's affairs.

So while I'm not opposing the general principle of allowing people who are somewhat unstable to marry, I'm wondering if we are doing them a service if we make this too easy. I would suggest to the honorable mover of the bill and the minister in charge of this that some consideration be given to making the examination prior to marriage at least equal to the examination that declared them to be of unsound mind or gave them a certificate of incapacity. If that was done, surely we could rest a little more easily [knowing] the persons were really in a position to assume the responsibilities of marriage.

I just have one comment in connection with Section 3 (b), where it is an offence for any person to marry if one of the

parties is under the influence of alcohol or a drug. I've been at a lot of marriages and, if it wasn't for the drink, I don't think some of the men would have gone through with the ordeal.

[Motion carried; Bill 51 read a second time]

Bill 53
The Pharmaceutical Association
Amendment Act, 1975

MR. MUSGREAVE: Mr. Speaker, I would like to move second reading of The Pharmaceutical Association Amendment Act, 1975, which is Bill No. 53. In speaking to second reading of The Pharmaceutical Association Amendment Act, I would like to advise the House that the objectives of this amendment are twofold. One is to incorporate changes that will reflect new federal legislation that becomes effective on July 1, 1976, which replaces the Proprietary or Patent Medicine Act of Canada, to be repealed in July of next year. The main effect of this change to the act is that the schedules to the act will have to be renumbered, as they were previously designated by an alphabetical system. To make the necessary changes in wording to avoid confusion with the new federal act, we've changed to a numerical system.

The second change in Bill 53, Mr. Speaker, which is perhaps of more significance, is the addition of Clause (j) to Section 21(1), which will permit the council of the pharmacists to prescribe continuing education for members of the association. After considerable discussion at the last annual meeting of the pharmacists of Alberta, it was agreed to request a change to their act that would allow them to keep all members aware of changes affecting their profession. As the field of medicine is very complex and changing, I believe the members of this Legislature will agree that pharmacists must be kept technologically current if they are to retain their important position in the field of health care. The addition of this clause, Mr. Speaker, gives them the right to establish ongoing methods of education.

In conclusion, Mr. Speaker, I would urge that all members of the House support this amendment.

[Motion carried; Bill 53 read a second time]

Bill 54
The Social Services and Community
Health Statutes Amendment Act, 1975

MR. PLANCHE: Mr. Speaker, in view of Mr. Young's absence, if I may, I'd like to defer second reading until a later sitting, if that's acceptable.

HON. MEMBERS: Agreed.

Bill 56 The Public
Utilities Board Amendment Act, 1975

MR. DIACHUK: Mr. Speaker, I move second reading of Bill No. 56, The Public Utilities Board Amendment Act, 1975. As I indicated in my introduction of the bill, there are two purposes for this amendment. One is to increase the composition of the board to a larger number of members to serve the province more adequately. The second is to improve on the definition of the word "utilities" to exclude some companies listed as utility companies and definitely not serving the purpose [of] a utility company. [They] would not have to come under this act.

For the benefit of the members of the Legislature, in the amendment act there is no intention to have an HLA serve on the Public Utilities Board.

MR. CLARK: In commenting on second reading of Bill 56, I'd like to deal with the last section of the act, which the member referred to as improving on the wording of the definition of a utility. I'd like to hope that's all that's involved as far as 71 is [concerned]. But as I read this portion of this particular section of the act -- I'd be very pleased to be straightened out by the hon. member if I'm incorrect -- and look at the previous legislation, this section would allow the board, either upon its own initiation or upon the application of a person having interest or upon the order of the Lieutenant Governor in Council, to declare what's now known as a public utility to be exempt from the statute as it relates to public utilities in this province.

If I copied the hon. member's comments down properly, he said, to improve upon the wording. Well, I don't have any particular concern about improving upon the wording. But let's improve upon the wording, and let's simply not say that the Lieutenant Governor in Council or the board may in fact exempt a public utility from The Public Utilities Board Act. If I misunderstood the hon. member, I'd be pleased if he'd point that out to us. But from looking at it, that's the interpretation I have. And if it is the government's intention to make it possible so some agencies in the province that are known as public utilities under The Public Utilities Board Act are not to go through the process of a public hearing when the rate increases and so on, let's lay it on the table here in the Chamber, and let's discuss it.

So in conclusion, Mr. Speaker, I'd like the hon. member, if he would, to deal in some detail with exactly what the government has in mind when it is dealing with this particular section of the act. If it is a matter to exclude that from public hearings and The Public Utilities Board Act, it's a very, very major change in principle as I understand the act and certainly one that all members should consider seriously before going. If that's the intention of the government, I think it would be very much appreciated on this side

of the House if we had some explanation from the government why it feels it's appropriate at this time to move in that particular direction, other than just to improve upon the wording.

MR. TAYLOR: Mr. Speaker, I'd like to deal with the principle of one section of the act. That is the section that gives a division of the board the authority of the whole board. While I don't oppose this -- because many times it's valuable, it saves time, the board's able to do a greater amount of work -- the division here sets out that two members constitute a quorum. That's two out of nine, which I believe the new number is going to be. Even if one of those members is ill or for some other reason is unable to attend, the one member left will be a quorum and will be able to conduct the hearing. I don't even object to that. I think that in many cases this is sensible and reasonable and shares the work.

The only thing that bothers me is that where you have two members of a board conducting an inquiry or hearing, the people who are being heard or inquired into do not appear to have any recourse of appeal. And I would think that when only two members of a nine member board have a hearing and reach a conclusion that is then binding on all members of that board, an aggrieved party or party who thinks he's aggrieved should have the right at least to appeal to the whole board. It may not happen very often, but there can certainly be some injustices done by this method if the people who are being investigated or the people involved in the hearing do not have some right of appeal to the entire board.

I have a lot of confidence in the Public Utilities Board. I have found them to be very able and very fair men and so on, but they don't all think the same. And even [with] our Supreme Court judges or our judges in our district courts, many lawyers endeavor to wait to get their hearing before a certain judge, because they know he has leanings that way and they have, not an unfair or prejudiced hearing, but what they consider a better hearing from that judge than from others. It will be the same thing with members of this board.

Consequently, I think we are endangering the whole set-up when we say two members, or one member, can make the decision which is binding on all members, [with] no right of appeal for those who consider themselves aggrieved. I base this on a hearing which I attended some years ago when I was in Highways. The Board of Transport Commissioners sent one commissioner -- well, I should say two commissioners, but one didn't say a word during the entire hearing -- to a hearing in Alberta. His ruling was binding on that entire Board of Transport Commissioners. From his remarks I was not satisfied he even grasped the problem that was at hand. The lawyer of the department had similar feelings, yet we had no appeal to the Board of Transport Commissioners. A decision was made, and it then became binding on all

those commissioners who didn't even hear the case.

So I base my thinking in connection with this point on that one hearing where I was certainly aggrieved, where the Government of Alberta did not, in my view, get a fair decision. Had we been able to go to the entire board, it would have been possibly a different matter. Maybe it wouldn't have, but I think it would have.

So I ask the minister and the mover of the bill that some consideration be given between now and the Committee of the Whole towards having some type of appeal available. If a person's case is heard by one or, say, two members of the board, he might at least appeal to the entire board if he feels he has been aggrieved.

DR. BUCK: Mr. Speaker, in saying a word or two on this bill, the section which the Leader of the Opposition brought to the attention of the hon. member piloting the bill through the House, I would like to ask the hon. member if he can indicate to the Legislature why they plan to have these exemptions, what purpose they will serve. And can the hon. member give us some examples of how the mechanism would work? Because the thing that concerns us is that the board in its wisdom may make exemptions which would really be binding upon the government. So we would really like to know the mechanism, why it's there, and how it will work. If the member can do this for us, possibly we can all vote with a little more assurance that it is going to serve the people of this province.

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

HON. MEMBERS: Agreed.

MR. DIACHUK: Mr. Speaker, in reply to the Leader of the Opposition, when we move into reading of this bill in committee, I will attempt to bring forward some of the examples which I think you are looking for, the types of companies now under The Gas Utilities Act that are not really serving the public, as we know utility companies do serve. So if the Leader of the Opposition would consider, I will possibly even endeavor to get a list of the types of companies we are being advised by the Public Utilities Board would be excluded.

In reply to the hon. Member for Drumheller, which [question] is of interest to me, this I will also endeavor to obtain in consultation with the minister responsible for this legislation, the hon. Mr. Foster. If this is in agreement, I would move second reading of this bill.

MR. CLARK: I would like to ask the hon. member a question. Is it the government's intention to exempt some public utilities companies from the provisions of The Public Utilities Board Act, and if so, which ones?

MR. DIACHUK: To the best of my knowledge, as I have indicated, I will endeavor to bring the information to committee. No public utility company -- most of these are

private companies that are not really serving the public, but are possibly serving an industry and so forth, Mr. Speaker. But I will endeavor to get a list of the names of companies and examples of the types of companies that apparently fall under The Gas Utilities Act, that really have no purpose to fall, and have to apply to the Public Utilities Board for hearings.

MR. FARRAN: I wonder if I could help by answering this question.

MR. SPEAKER: We might be getting a bit informal and out of order in the debate. Perhaps the hon. minister could assist when the matter comes up in committee, as has already been indicated by the member sponsoring the bill.

MR. CLARK: Mr. Speaker, on a point of order. In light of the answer given by the hon. member who sponsored the bill in the House, I would urge you to be lenient, sir, in letting the Solicitor General respond. Because if, in fact, we're getting involved here in letting public utilities get around The Public Utilities Board Act, that's a very, very major principle. Now's the time to find out, not when we get in committee.

MR. SPEAKER: With the unanimous leave of the House, there certainly isn't any reason at all the rules can't be bent a little, and the hon. minister's kind offer might be accepted.

HON. MEMBERS: Agreed.

MR. FARRAN: Mr. Speaker, I only rise to my feet to help, inasmuch as the Attorney General is indisposed at the moment, and I am the acting minister when he's not in the House.

First of all, could I deal with the question of the large board of eight, with power to subdivide down to one member. Because of the pressures of inflation, there's an enormous number of hearings in the utilities field at the present time. Hearings are always held in arrears, so the utility companies really suffer. There's often a lengthy hearing, which might take as long as six months, and their financing powers in the market are affected, because the decision comes only later, even though an interim rate increase may have been allowed to try to alleviate this to some extent.

In major hearings, it's the practice of the board just to subdivide into sections of no less than three or four. But the idea of the large board was to enable it to hold hearings throughout the province, [at] many country points, on such subjects as milk prices. Many of the hearings are comparatively minor, involving the exemption of a particular utility from a regulation -- and I'll come to this in a minute -- or something as minor as a small expropriation case for a municipality. One commissioner could then report. He could withhold judgment, having assembled the evidence, then go back and present it to the rest of the board before it fetches

down its ruling.

The reason for the power, in this particular bill, to exempt some utilities is to bring the practice with electrical power utilities into line with the practice with gas utilities, which has existed for many years. In the definition under the act, almost everything in the gas business is a gas utility -- a well, a pipeline. . .

Of necessity, the definition has to be very broad. Some of those gas utilities, real utilities by definition, are not utilities in practice or in the common understanding of the word, in that they're not dispensing gas to consumers. So there has to be power in the act to exempt these non-utility types of utilities from regulation by the Public Utilities Board. That power has existed in The Gas Utilities Act for many years.

Now, so far as municipalities are concerned, they also are exempted in the act from regulation, unless they consent to being regulated, or unless a citizen complains that he has been dealt with unjustly or in a discriminatory manner. Then a citizen can complain to the Public Utilities Board, and a hearing is held. The same power was not extended to all electrical utilities, so in the case of electrical utilities entitled to a gas rebate for the generation of electricity, it was thought advisable to give the board the power not to fully regulate. Hence the clause in this particular bill.

I don't know if that satisfies the hon. Leader of the Opposition, but that is the picture as I know it.

[Motion carried; Bill 56 read a second time]

MR. HYNDMAN: Mr. Speaker, on the business of the House tomorrow afternoon, on page 3 of today's Order Paper, under Motions other than Government Motions, Resolution No. 2, in the name of the Member for Athabasca, Mr. Appleby, is one which has now been, or will be, seen as being proposed to the House in Bill 43, The School Amendment Act. That's the one that deals with Farmers' Day. Therefore tomorrow we will ask leave to withdraw Motion No. 2. I say this so members will know not to prepare for No. 2 but rather Nos. 1 and 3, insofar as the subject matter of No. 2 appears in the bill.

I now move that the Assembly do adjourn until tomorrow afternoon at 2:30.

MR. SPEAKER: Having heard the motion for adjournment by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at 2:30.

[The House rose at 10:12 p.m.]

